

1 THE STATE OF ARIZONA  
2 CITIZENS CLEAN ELECTIONS COMMISSION  
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9 REPORTER'S TRANSCRIPT OF PUBLIC MEETING  
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15 Phoenix, Arizona

16 March 17, 2011

17 9:30 a.m.  
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23 Reported By:

24 Angela Furniss Miller, RPR  
25 Certified Reporter (AZ 50127)

Miller Certified Reporting

<div>2</div> <div>1 A PUBLIC MEETING, BEFORE THE CITIZENS CLEAN</div> <div>2 ELECTIONS COMMISSION, convened at 9:30 a.m. on March 17,</div> <div>3 2011, at the State of Arizona, Clean Elections</div> <div>4 Commission, 1616 W. Adams, Conference Room, Phoenix,</div> <div>5 Arizona, in the presence of the following Board members:</div> <div>6</div> <div>7 Mr. Jeff Fairman, Chairperson</div> <div>8 Ms. Lori Daniels</div> <div>9 Mr. Louis Hoffman (Telephonic)</div> <div>10 Mr. Timothy Reckart</div> <div>11</div> <div>12 OTHERS PRESENT:</div> <div>13</div> <div>14 Todd Lang, Executive Director</div> <div>15 Colleen McGee, Deputy Director</div> <div>16 Daniel Ruiz, II, Campaign Finance Manager</div> <div>17 Michael Becker, Voter Education Manager</div> <div>18 Steve Clawson, Moses Anshell</div> <div>19 Nancy Read, Secretary of State's Office</div> <div>20 Thomas Collins, Assistant Attorney General</div> <div>21 Tom Bilsten, Citizen</div> <div>22 Peggy Bilsten, Citizen</div> <div>23 Bob Ford, Looks Good Enterprises</div> <div>24 Kory A. Langhofer, Snell &amp; Wilmer, LLP</div> <div>25 Frank Uganti, Campaign for Michelle Uganti</div> <div>Anthony Tsotakis, Tsotakis Law, PC</div> <div>Ken Bennett, Arizona Secretary of State</div> <div>Barry Wong, Barry Wong for Corporation</div> <div>Commission 2010</div> <div>Miller Certified Reporting</div>	<div>3</div> <div>1 P R O C E E D I N G</div> <div>2</div> <div>3 CHAIRPERSON FAIRMAN: Let's go ahead and get</div> <div>4 started. Thank you all for attending.</div> <div>5 Today is Thursday, March 17th, St. Patrick's</div> <div>6 Day. And I appreciate you joining the Citizens Clean</div> <div>7 Election Commission meeting.</div> <div>8 A couple of quick announcements. One, joining</div> <div>9 us by phone is Commissioner Louis Hoffman. Thank you,</div> <div>10 Louis, for being here.</div> <div>11 COMMISSIONER HOFFMAN: Sorry I'm not there in</div> <div>12 person.</div> <div>13 CHAIRPERSON FAIRMAN: That's okay. And then</div> <div>14 second, I'd like to read the following statement: The</div> <div>15 Commission may vote to go into executive session, which</div> <div>16 will not be open to the public, for the purpose of</div> <div>17 obtaining legal advice on any item listed on the agenda,</div> <div>18 pursuant to A.R.S. 38-431.03(A)(3). Thank you very</div> <div>19 much.</div> <div>20 And with that, I'd like to go to the next</div> <div>21 agenda item, which is the Executive Director's report.</div> <div>22 Todd?</div> <div>23 MR. LANG: Thank you, Mr. Chair. Good morning,</div> <div>24 Commissioners.</div> <div>25 COMMISSIONER DANIELS: Minutes.</div> <div>Miller Certified Reporting</div>
<div>4</div> <div>1 CHAIRPERSON FAIRMAN: Oh. I'm sorry, minutes.</div> <div>2 See, I'm still new at this.</div> <div>3 Before we start that -- that was a good start,</div> <div>4 though, Todd. You were ready, I appreciate that. I</div> <div>5 hope you've all had a chance to look at the minutes from</div> <div>6 the last meeting. And if so, are there any amendments</div> <div>7 or corrections to those minutes from anyone? Okay.</div> <div>8 COMMISSIONER DANIELS: Mr. Chairman, I'd move</div> <div>9 the approval of the minutes of February 17th, 2011.</div> <div>10 COMMISSIONER RECKART: Second.</div> <div>11 CHAIRPERSON FAIRMAN: We have a motion to</div> <div>12 approve and a second. All in favor say "aye."</div> <div>13 (Chorus of ayes.)</div> <div>14</div> <div>15 CHAIRPERSON FAIRMAN: Any opposed? Passes</div> <div>16 unanimously. Thank you very much.</div> <div>17 Now, Todd.</div> <div>18 MR. LANG: Thank you, Mr. Chair.</div> <div>19 CHAIRPERSON FAIRMAN: Executive Director's</div> <div>20 report.</div> <div>21 MR. LANG: Good morning.</div> <div>22 COMMISSIONER DANIELS: Good morning.</div> <div>23 MR. LANG: Good morning, Commissioners. Only a</div> <div>24 couple of things. You have my report, I'll leave it to</div> <div>25 you. The update on the responses to our rule</div> <div>Miller Certified Reporting</div>	<div>5</div> <div>1 solicitation, we -- you know, we went out asking folks</div> <div>2 for their input on -- on our rule that would ban use of</div> <div>3 Clean Elections money to hire family members, and we've</div> <div>4 heard testimony from both Commissioners and others,</div> <div>5 that, you know, it's a routine practice to hire family</div> <div>6 members; it's hard to get anyone else to put up signs</div> <div>7 for minimum wage.</div> <div>8 But just to give you an update on where we</div> <div>9 are -- that's not on the agenda for today, but to give</div> <div>10 you an update as to where we are -- Mike has received 50</div> <div>11 responses so far, with 27 in opposition to the rule and</div> <div>12 23 in support. That's a little better than a third,</div> <div>13 which is a pretty good response rate, actually, so. And</div> <div>14 we'll -- in the open -- that -- that inquiry is open</div> <div>15 until April, so we'll have an updated number for you at</div> <div>16 the next meeting.</div> <div>17 Otherwise, unless you have questions, that</div> <div>18 conclude -- I should mention that, of course,</div> <div>19 Commissioner Hoffman, Chairman Fairman and I are all</div> <div>20 going to see the Supreme Court argument at the end of</div> <div>21 this month. We leave on -- most of us leave on the</div> <div>22 26th, the argument is on the 28th, and I'm certainly</div> <div>23 looking forward to it. It should be an interesting</div> <div>24 time. And we'll report back.</div> <div>25 CHAIRPERSON FAIRMAN: Thank you very much. Any</div> <div>Miller Certified Reporting</div>

<p style="text-align: center;">6</p> <p>1 questions of Todd regarding his report?</p> <p>2 No? Okay. Thank you very much, Todd. I</p> <p>3 appreciate that.</p> <p>4 Next is Item IV on our agenda, and that's</p> <p>5 discussion and possible action on whether there is</p> <p>6 reason to believe a violation occurred in the following:</p> <p>7 MUR 10-0026, Barry Wong, participating candidate for</p> <p>8 Corporation Commission. Todd?</p> <p>9 MR. LANG: Thank you, Mr. Chair.</p> <p>10 Commissioners, this is an interesting question of facts</p> <p>11 and law. And I should mention that the Complainant,</p> <p>12 Mr. Bilsten, is here today, and the Respondent,</p> <p>13 Mr. Wong, is also here today, so they'll be able to</p> <p>14 address the Commission in answering any questions you</p> <p>15 may have.</p> <p>16 But you have several exhibits. You have the</p> <p>17 initial complaint, which is Exhibit A. You have a</p> <p>18 letter that was actually written before the complaint</p> <p>19 from Mr. Wong, just notifying the Commission that</p> <p>20 there's a dispute amongst -- between Mr. Wong's campaign</p> <p>21 and the consultants, including Mr. Bilsten, and that's</p> <p>22 Exhibit B. We have his -- Mr. Wong's formal response at</p> <p>23 Exhibit C, and additional documentation in Exhibit D and</p> <p>24 Exhibit E. Mr. Bilsten provided additional information,</p> <p>25 and you can see that in Exhibit F; and Mr. Wong's</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">7</p> <p>1 response is at Exhibit G.</p> <p>2 I should mention that Daniel Ruiz has spent a</p> <p>3 significant amount of time meeting with both the</p> <p>4 consultant and the subcontractor, and Mr. Wong and his</p> <p>5 campaign manager, so. And he's met with all of them and</p> <p>6 heard their viewpoints, and what this comes down to is a</p> <p>7 "he said/she said." But, the bottom line -- the bottom</p> <p>8 line question is -- or, the bottom line facts are that</p> <p>9 Mr. Wong contracted -- and his campaign manager and the</p> <p>10 Campaign contracted -- with Mr. Ford's company, Looks</p> <p>11 Good Enterprises, or "LGE" as referred to in our</p> <p>12 documents, to provide campaign services, typical</p> <p>13 campaign management services, and those were provided.</p> <p>14 Looks Good Enterprises, Mr. Bob Ford's company,</p> <p>15 the company that actually contracted with Mr. Wong, then</p> <p>16 subcontracted out certain work to Mr. Bilsten. This</p> <p>17 includes signs and the signs that are at the issue here.</p> <p>18 The dispute arose late in the -- you know, much</p> <p>19 later regarding the placement of a number of signs</p> <p>20 statewide. And the bottom line is, is that the Wong</p> <p>21 Campaign asserts that it never contracted for those</p> <p>22 signs, didn't agree to have those signs put up, and</p> <p>23 should not have to pay for the signs. Mr. Ford and</p> <p>24 Mr. Bilsten disagree and claim that they were authorized</p> <p>25 to put up those signs.</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: center;">8</p> <p>1 As a way of resolving the dispute, Mr. Wong</p> <p>2 agreed to pick up the signs, because of the rebar has</p> <p>3 value; and it also, you know, it saves a lot of labor to</p> <p>4 pick up the signs, and -- and that was designed to -- to</p> <p>5 resolve the dispute. The problem is, Mr. Wong was</p> <p>6 unable to recover a large number of the signs and the</p> <p>7 rebar, and so -- and Mr. Bilsten hasn't received back</p> <p>8 the materials I think he believes he's entitled to.</p> <p>9 So, we have your classic contract dispute. The</p> <p>10 problem in this case is that they didn't put it in</p> <p>11 writing. We had a political consulting contract that</p> <p>12 wasn't in writing. And I think that -- I think the</p> <p>13 lesson for all candidates in the future to take forward</p> <p>14 is, you have to put this in writing. Contractors need</p> <p>15 it in writing so that they can prove that they actually</p> <p>16 contracted for what they say they contracted for so they</p> <p>17 can get their fair compensation. And candidates need to</p> <p>18 put it in writing; it's essential for candidates, in</p> <p>19 particular Clean Elections candidates, to put these</p> <p>20 agreements into writing, because otherwise they can be</p> <p>21 held responsible for items that -- to -- that they did</p> <p>22 not contract for.</p> <p>23 It's clear that as a consultant, Mr. Ford has</p> <p>24 the authority as an agent of the Campaign to make</p> <p>25 expenditures. Let me rephrase that -- as an agent of</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">9</p> <p>1 the Campaign, which he is as a consultant, expenditures</p> <p>2 he makes could be held to the Campaign. In other words,</p> <p>3 he could make expenditures that Mr. Wong or his campaign</p> <p>4 manager don't want, and yet, Mr. Wong and his campaign</p> <p>5 manager could be held liable for them. And that's</p> <p>6 because they didn't put it in writing, they didn't put</p> <p>7 what exactly was going to be done in writing.</p> <p>8 But what we do have from Mr. Wong is a sworn</p> <p>9 statement under oath, punishable by law, that he did not</p> <p>10 contract for those services. After extensive meetings</p> <p>11 with Mr. -- Mr. Wong and the consultants, and Daniel</p> <p>12 Ruiz, you know, has had an opportunity to review this,</p> <p>13 and I -- and staff and I have come together, and we have</p> <p>14 determined that -- we recommend the Commission not find</p> <p>15 reason to believe that there's been a violation of law.</p> <p>16 The violations of law you could find are:</p> <p>17 Clearly, and -- that they exceeded the campaign finance</p> <p>18 limits by -- by -- because of the contracts for these</p> <p>19 extra signs; and that they, you know, that that was a --</p> <p>20 that that would have been a violation of law. The fact</p> <p>21 that they then entered into a settlement agreement,</p> <p>22 could be argued as a tacit acknowledgment that they</p> <p>23 contracted for that; or it could be argued, in fact,</p> <p>24 that it is a violation of law because, look, there's a</p> <p>25 contract, you settled. You made a settlement and you</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: center;">10</p> <p>1 agreed to pay for the signs in this unorthodox manner by</p> <p>2 collecting them. And so you -- and they -- and the</p> <p>3 argument is they have received the benefit of the sign,</p> <p>4 obviously; the signs, according to Mr. Bilsten, were up.</p> <p>5 And, so, there is an argument that folks can</p> <p>6 make that because Mr. Wong received the benefit of the</p> <p>7 signs and because, arguably, he contracted for them,</p> <p>8 that he's on the hook and that a violation should be</p> <p>9 found. But we concluded that there's no proof he</p> <p>10 received the benefit of the signs. Remember, when</p> <p>11 Mr. Wong went out to collect them, they weren't there, a</p> <p>12 vast majority of them. And there's no proof that</p> <p>13 Mr. Wong ever -- so on the benefit of the end -- on the</p> <p>14 benefit end of this, we have no absolute proof that he</p> <p>15 received a benefit. And we clearly don't have</p> <p>16 contractual proof that he contracted for the signs.</p> <p>17 Given the sort of factual dispute, he said/she</p> <p>18 said nature of this matter, which I hope they can</p> <p>19 resolve, and -- but if they can't resolve, it's</p> <p>20 something that should be in a small claims court. Staff</p> <p>21 and I recommend that the Commission not go forward with</p> <p>22 a finding of a violation or a finding of reason to</p> <p>23 believe there may be a violation.</p> <p>24 CHAIRPERSON FAIRMAN: We have any questions of</p> <p>25 the Commission for Todd before we ask them to come</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">11</p> <p>1 forward? Yes?</p> <p>2 COMMISSIONER HOFFMAN: I have several when --</p> <p>3 when it's time.</p> <p>4 CHAIRPERSON FAIRMAN: You will be next, Louis,</p> <p>5 Tim's got something to say first.</p> <p>6 COMMISSIONER RECKART: Just help -- help me a</p> <p>7 bit, if you would. What -- what is the scienter</p> <p>8 requirement for a violation to occur? Is it a strict</p> <p>9 liability sort of thing; or is there some sort of</p> <p>10 requirement for a knowledge element, intent element; or</p> <p>11 is it by mere happening of the fact that it occurs?</p> <p>12 MR. COLLINS: Mr. Chairman, Commissioner</p> <p>13 Reckart, the -- the -- the way the statute is written,</p> <p>14 the -- the -- the -- 16-941 simply says that a candidate</p> <p>15 shall not make an expenditure or shall not accept a -- a</p> <p>16 contribution. So, there's not a scienter requirement</p> <p>17 within 16-941.</p> <p>18 The statute with respect to criminal sanctions</p> <p>19 makes a distinction between -- between knowing and --</p> <p>20 and not. In other words, under 16-943, certain</p> <p>21 violations can be sanctioned -- not civilly, but -- but</p> <p>22 criminally -- and there's a knowing element there. So,</p> <p>23 there's not, as such, a -- a -- a -- a scienter</p> <p>24 requirement.</p> <p>25 On the other hand, you know, we -- just in --</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: center;">12</p> <p>1 the -- the Commission has not, to my knowledge, and it's</p> <p>2 not been litigated in Arizona, whether or not -- what</p> <p>3 "make" or "accept" mean. In other words, if you were</p> <p>4 looking at 16-941, essentially what I think you're</p> <p>5 asking is, well, really comes down to what "make" -- and</p> <p>6 in the absence of a -- of a -- of a -- of a definition</p> <p>7 of "make," a Court would look to, you know, a dictionary</p> <p>8 definition of "make," which -- which would typically be</p> <p>9 something along the lines of to bring into existence,</p> <p>10 you know, something. While "accept" would be to -- to</p> <p>11 take or receive something or receive with -- with</p> <p>12 approval.</p> <p>13 So, those are the -- those are the concepts I</p> <p>14 think that are at play with respect to "make" and</p> <p>15 "accept." But there's not a -- a definitive scienter</p> <p>16 requirement with respect to a violation as such. It's</p> <p>17 really with respect to when criminal sanctions come into</p> <p>18 play, that there's a -- that there's a -- that there's a</p> <p>19 knowing.</p> <p>20 COMMISSIONER RECKART: Thank you. That's good.</p> <p>21 CHAIRPERSON FAIRMAN: Commissioner Hoffman?</p> <p>22 COMMISSIONER HOFFMAN: Yes. Thank you. I</p> <p>23 had -- I had several questions.</p> <p>24 First of all, I'd like to -- before I begin, I</p> <p>25 wanted to commend staff on the detail with which they</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">13</p> <p>1 investigated this complicated matter, especially at this</p> <p>2 early stage. It -- it's hard to vote that there's -- to</p> <p>3 find reason to believe that a violation may have</p> <p>4 occurred and asked to -- for further investigation when</p> <p>5 the investigation has pretty much been done, so I'd like</p> <p>6 to commend staff on that.</p> <p>7 The second question I had is, you mentioned,</p> <p>8 Todd -- I have several, by the way, and I apologize for</p> <p>9 that. But, Todd, you mentioned that Mr. Ford was a</p> <p>10 agent of the Campaign. The -- the report says that he</p> <p>11 was a contractor, you know, for which he was contracting</p> <p>12 services. Was he -- was the contract a general one</p> <p>13 that, as you would, a campaign manager or somebody who</p> <p>14 has authority to decide, you know, various things and</p> <p>15 how much to do? Or was it a more specific contract that</p> <p>16 said, you know, so many signs for so many dollars?</p> <p>17 MR. LANG: Well, Commissioner Hoffman, you</p> <p>18 know, "agent" is defined very broadly under our statutes</p> <p>19 at 16-901, and it's someone with the authority to make</p> <p>20 expenditures. And I think under that definition, Mr.</p> <p>21 Ford was clearly an agent of the Campaign; he was not</p> <p>22 the campaign manager.</p> <p>23 As for whether there was a specific contract</p> <p>24 for "X" number of signs, "X" number of flyers, "X"</p> <p>25 number of mailers, no, the contract wasn't working that</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: right;">14</p> <p>1 way. They didn't have -- unfortunately, as I said</p> <p>2 earlier, they didn't have a written contract.</p> <p>3 COMMISSIONER HOFFMAN: Well, I know they didn't</p> <p>4 have a written agreement, but what was the general gist</p> <p>5 of the contract? What was -- you know, what was said?</p> <p>6 MR. LANG: Well, that's the problem. You have</p> <p>7 a dispute on that.</p> <p>8 COMMISSIONER HOFFMAN: Okay. Well, what are</p> <p>9 the parts -- start with the part both parties agree on.</p> <p>10 MR. LANG: Well, the initial allocation of</p> <p>11 signs and the other items that were provided.</p> <p>12 MR. RUIZ: There was a verbal agreement that</p> <p>13 the Looks Good Enterprises would produce and post signs,</p> <p>14 as well as produce T-shirts and other campaign</p> <p>15 materials.</p> <p>16 COMMISSIONER HOFFMAN: Was the agreement that</p> <p>17 they would produce and post signs of, sort of, any</p> <p>18 amount, or amounts that they thought were appropriate</p> <p>19 for the Campaign? Or was it, like, we'll produce and</p> <p>20 post signs at our usual charges as you request them?</p> <p>21 MR. RUIZ: There was a set amount, but the set</p> <p>22 amount is -- there's a disagreement on what that set</p> <p>23 amount was between each party.</p> <p>24 COMMISSIONER HOFFMAN: Right. Okay. So, it</p> <p>25 was like: We're going to produce "X" signs for "Y"</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">15</p> <p>1 dollars, but the parties disagree on what "X" and "Y"</p> <p>2 is?</p> <p>3 MR. RUIZ: Right.</p> <p>4 COMMISSIONER HOFFMAN: Okay. All right. I --</p> <p>5 I appreciate that clarification.</p> <p>6 Just one other question that's smaller. You</p> <p>7 said -- you referred to "rebar" in the -- in your</p> <p>8 remarks, does that equate -- is that the same as what</p> <p>9 you referred to as "stakes" in the --</p> <p>10 MR. LANG: I should have -- thank you for that</p> <p>11 clarification. I should have said "posts."</p> <p>12 COMMISSIONER HOFFMAN: Okay. I thought that's</p> <p>13 what you meant, but I just wanted to make sure I had</p> <p>14 that understanding correctly. Hang on just a quick</p> <p>15 second.</p> <p>16 MR. LANG: And Mr. -- Commissioner Hoffman,</p> <p>17 again, Mr. Wong and Mr. Bilsten are here, so.</p> <p>18 COMMISSIONER HOFFMAN: Yeah. No, I understand.</p> <p>19 Just give me a quick second to see if there's any more</p> <p>20 that I had for you, and then we'll -- I'm sure we'll</p> <p>21 hear more.</p> <p>22 Oh. Yes. I'm sorry. At the beginning of the</p> <p>23 first paragraph of your statement of reasons, you said</p> <p>24 that you provide statement of reasons for the</p> <p>25 recommendation that the Commission find reason to</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">16</p> <p>1 believe that violations may have occurred. Was there a</p> <p>2 "not" missing in that --</p> <p>3 MR. LANG: Yes.</p> <p>4 COMMISSIONER HOFFMAN: -- or is that just your</p> <p>5 standard introduction?</p> <p>6 MR. LANG: No. That is a typo. Thank you for</p> <p>7 catching it.</p> <p>8 COMMISSIONER HOFFMAN: Okay.</p> <p>9 MR. LANG: It should say "no" in between "find"</p> <p>10 and "reason."</p> <p>11 COMMISSIONER HOFFMAN: Okay. And one last</p> <p>12 question, if -- if there was -- if there were to be a</p> <p>13 civil dispute that ended up occurring between either</p> <p>14 Mr. Bilsten or LGE and the Campaign, and the Campaign</p> <p>15 were ordered to pay money -- pay additional money</p> <p>16 because they owed it to this guy, or to one of these</p> <p>17 guys, would -- would our -- if we were to accept your</p> <p>18 recommendation, Mr. Lang, that we find no reason to</p> <p>19 believe that a violation may have occurred, would that</p> <p>20 foreclose us from going back and, you know, consider --</p> <p>21 reconsidering the matter based on the new information</p> <p>22 that the Court had ordered, you know, payment?</p> <p>23 MR. LANG: Mr. Chair, Commissioner Hoffman, it</p> <p>24 would not. The Commission always has the authority to</p> <p>25 re-open a matter, especially when there's new facts.</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">17</p> <p>1 This is a case where clearly there's enough to</p> <p>2 find reason to believe there may have been a violation;</p> <p>3 in other words, this first step, with no final</p> <p>4 conclusions. But, ultimately, as you alluded to -- and</p> <p>5 I want to thank Mr. Bilsten and Mr. Wong and Mr. Ford</p> <p>6 for their cooperation, they provided all the</p> <p>7 documentation they could, they provided everything we</p> <p>8 asked for, they met with us for some length of time.</p> <p>9 And so that -- it's simply because, you know, there's,</p> <p>10 you know, staff believes that we shouldn't go forward on</p> <p>11 an enforcement matter that we're making this</p> <p>12 recommendation today.</p> <p>13 But, ultimately, if it turns out that new</p> <p>14 addition -- new information is found, or if a Court</p> <p>15 reaches a conclusion, if Mr. Bilsten finds a written</p> <p>16 contract that shows he's right, whatever the</p> <p>17 circumstance may be, we -- the Commission has the</p> <p>18 authority to re-open this matter.</p> <p>19 COMMISSIONER HOFFMAN: Okay. Thank you. That</p> <p>20 was all my questions. I'd be happy to hear further.</p> <p>21 And I share your appreciation to the parties for</p> <p>22 cooperating on this complicated matter. It's not easy</p> <p>23 for us to investigate these things, we don't like to</p> <p>24 have to do it, but it always makes it a lot easier when</p> <p>25 the parties are open and come forward with the</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: right;">18</p> <p>1 materials. And, certainly, that's important to me as</p> <p>2 well.</p> <p>3 CHAIRPERSON FAIRMAN: Commissioner Daniels.</p> <p>4 COMMISSIONER DANIELS: And my question is</p> <p>5 probably for Daniel. I -- I was just looking at this,</p> <p>6 and Mr. Bilsten says he's done a lot of signs, were</p> <p>7 Mr. Ford and Mr. Bilsten aware of the campaign limits</p> <p>8 that Mr. Wong could spend in this? Because, obviously,</p> <p>9 he didn't have enough money to pay for this if he turns</p> <p>10 back \$415 and he owes \$7,350, he's over -- or \$7,380,</p> <p>11 whatever it is -- he's well over the limit. Are -- were</p> <p>12 they aware of that aspect of it?</p> <p>13 MR. RUIZ: Well, as you can imagine, there's</p> <p>14 been a lot of he said/she said. And what we've heard</p> <p>15 from the Wong Campaign is that perhaps they were over</p> <p>16 producing in hopes of getting some of those general</p> <p>17 election funds later on. The -- the consultant, the</p> <p>18 Complainant, Mr. Bilsten, has said that they were told</p> <p>19 by the Campaign: We're going to pay you so much once we</p> <p>20 advance to the general. So, there's that -- that</p> <p>21 conflict there between the two sources.</p> <p>22 COMMISSIONER DANIELS: Thank you.</p> <p>23 CHAIRPERSON FAIRMAN: We'll -- we'll hear from</p> <p>24 you in just a moment, please. Thank you. I'll get to</p> <p>25 you, I guarantee it.</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">19</p> <p>1 Yes, Commissioner Reckart.</p> <p>2 COMMISSIONER RECKART: Two things I want to</p> <p>3 explore. Todd, one involves your statement regarding</p> <p>4 Mr. Ford as an agent. I mean, I'm looking at the</p> <p>5 definition of the statute. While it's broad, it does --</p> <p>6 I mean, any -- basic notions of agency require, you</p> <p>7 know, a clear delegation of authority and limitation of</p> <p>8 authority and all that. And I'm -- the fact that if</p> <p>9 someone is a contractor doesn't make them an agent. And</p> <p>10 I'm trying to understand why -- I mean, as I read it:</p> <p>11 "Any person other than a candidate who has oral or</p> <p>12 written authority, either expressed or implied, to make</p> <p>13 or authorize an agent of expenditures on behalf of a</p> <p>14 candidate."</p> <p>15 So, that means he's delegating to a specific</p> <p>16 authority to make -- to stand in his position to -- to</p> <p>17 make expenditures. So, I -- I'm trying to understand</p> <p>18 why you're saying Ford was an agent of the Wong</p> <p>19 Campaign. And -- and maybe I'm just missing something,</p> <p>20 but I -- I think that's a fairly profound position.</p> <p>21 And -- and then I'll -- I have a second</p> <p>22 question on "make" and "accept," but I'll defer to Todd</p> <p>23 on that.</p> <p>24 MR. LANG: You know, I think you make a -- a</p> <p>25 reasonable point, Commissioner. Arguably, he's simply a</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">20</p> <p>1 contractor. In the past, and the -- the agency has been</p> <p>2 rather broad, probably construed for campaign employees.</p> <p>3 But as -- as we know in this case, it's not that</p> <p>4 Mr. Ford could hire -- do whatever he wanted, it's not</p> <p>5 that he could go out and get flyers or what have you; he</p> <p>6 had a particular order, which was signs and T-shirts</p> <p>7 and -- was there anything else?</p> <p>8 MR. RUIZ: No. I believe that's it.</p> <p>9 MR. LANG: So, arguably, you're right.</p> <p>10 COMMISSIONER RECKART: Because it -- it has a</p> <p>11 definite impact on whether or not the Campaign made or</p> <p>12 accepted something in excess of it, if it was an</p> <p>13 authorized agent to -- to do those things and that's --</p> <p>14 that's where I'm -- I'm sort of having an issue.</p> <p>15 And then, Tom, back on -- on to "make" and</p> <p>16 "accept," it's 941.</p> <p>17 MR. COLLINS: Yeah -- yes.</p> <p>18 COMMISSIONER RECKART: "Campaign shall not</p> <p>19 accept any contribution, shall not make expenditures."</p> <p>20 Again, I guess, just to make clear, the fact</p> <p>21 that one has accepted them, I guess there's no -- what</p> <p>22 I'm trying to understand is the candidate may not accept</p> <p>23 -- there seems to be implied some sort of scienter</p> <p>24 knowledge or willful -- willfulness, however you want to</p> <p>25 talk it, in either expending or accepting. And I guess</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">21</p> <p>1 the issue here is there has not been, either in the</p> <p>2 legislative history or in the courts, any clarification</p> <p>3 on that.</p> <p>4 MR. COLLINS: Typically -- yeah, I think</p> <p>5 that -- I mean, that's -- that's -- that's -- that's</p> <p>6 a -- that last point is -- is -- is -- is, you know,</p> <p>7 what I -- what I believe to be the case. I mean, I --</p> <p>8 we haven't -- to my knowledge, the Commission hasn't</p> <p>9 dealt with the issue of whether or not there was a</p> <p>10 making or a -- or -- or an acceptance. There's -- which</p> <p>11 is different from the question of whether or not the --</p> <p>12 the thing in question is an expenditure or a -- or --</p> <p>13 COMMISSIONER RECKART: Right. Exactly.</p> <p>14 MR. COLLINS: That said, I mean, as I said,</p> <p>15 the -- the -- the -- the judgment -- I mean, the legal</p> <p>16 rule that -- that -- that you're operating, you know,</p> <p>17 under, has it that you're in a position where you have</p> <p>18 to make a judgment about whether or not there's reason</p> <p>19 to believe, and whether or not there was an expenditure</p> <p>20 made; and -- and -- and -- and the definition that I've</p> <p>21 given you, which is essentially a dictionary definition</p> <p>22 of that, would be -- it would be your role to -- to --</p> <p>23 to apply that. I think that -- if that -- if that</p> <p>24 answers the question.</p> <p>25 COMMISSIONER RECKART: Yeah. No, I'm -- I just</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: right;">22</p> <p>1 wanted to make sure I understood it and that there</p> <p>2 wasn't anymore that we needed to explore.</p> <p>3 CHAIRPERSON FAIRMAN: Todd.</p> <p>4 MR. LANG: If I could address Mr. Reckart's</p> <p>5 point. The tricky thing about agency, you know, we</p> <p>6 can -- we can sit in our law review office and debate</p> <p>7 what the meaning of "agency" is, and that's an</p> <p>8 interesting discussion. The problem for us is that with</p> <p>9 election law, when you have campaign activities</p> <p>10 occurring, somebody has to be held accountable for it.</p> <p>11 We have a definition of independent expenditure under</p> <p>12 our statutes that -- that if met, would mean that</p> <p>13 Mr. Wong is not held accountable for independent</p> <p>14 expenditures.</p> <p>15 In other words, if someone completely outside</p> <p>16 his purview or control spends money trying to help him,</p> <p>17 it's not implicated to his campaign. That's an</p> <p>18 independent expenditure. Because of Mr. Ford's position</p> <p>19 relative to the Campaign as a contractor, he -- anything</p> <p>20 Mr. Ford does, whether authorized or not, cannot be an</p> <p>21 independent expenditure, so then it becomes an</p> <p>22 expenditure of the Campaign, and then we have a problem.</p> <p>23 What happens -- let's assume that Mr. Wong is</p> <p>24 completely correct in everything. We have a rogue</p> <p>25 decision-making process with Mr. Ford or Mr. Bilsten,</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">23</p> <p>1 and of course they would strongly object to that, but</p> <p>2 just for --</p> <p>3 CHAIRPERSON FAIRMAN: We'll hear that in a</p> <p>4 moment.</p> <p>5 MR. LANG: Right. But let's say that happens,</p> <p>6 they're still -- Mr. Wong is still on the hook for</p> <p>7 those -- those expenditures, if not authorized -- even</p> <p>8 though they're not authorized.</p> <p>9 And so, I think rather than debate the meaning</p> <p>10 of "agent," I think I should have been more focused on</p> <p>11 pointing out to you that expenditures by campaign</p> <p>12 employees and consultants can implicate the campaign</p> <p>13 itself, or the candidate, even if not authorized by the</p> <p>14 candidate. And I think that's the more relevant</p> <p>15 inquiry. And I'm sorry that I -- I think I led you a</p> <p>16 little bit astray on the "agency" question.</p> <p>17 CHAIRPERSON FAIRMAN: If there's nothing else,</p> <p>18 I would like to hear from Mr. Bilsten. Mr. Bilsten,</p> <p>19 and -- and then -- your name, sir, in the back?</p> <p>20 MR. FORD: Bob Ford.</p> <p>21 CHAIRPERSON FAIRMAN: Bob Ford. You will be</p> <p>22 next.</p> <p>23 Please come forward.</p> <p>24 MR. BILSTEN: My name is Tom Bilsten.</p> <p>25 Mr. Chairman --</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">24</p> <p>1 COMMISSIONER HOFFMAN: Could somebody put the</p> <p>2 microphone a little closer to Tom, because it's a little</p> <p>3 hard to hear Mr. Bilsten talk.</p> <p>4 CHAIRPERSON FAIRMAN: Please speak up,</p> <p>5 Mr. Bilsten.</p> <p>6 MR. BILSTEN: Okay. Mr. Chairman and members</p> <p>7 of the Commission, I appreciate you allowing me to be</p> <p>8 here. I -- I would like to thank Mr. Ruiz. He's been</p> <p>9 incredible through this whole process. This has been</p> <p>10 very new to me. I'm not used to a court setting or</p> <p>11 anything like that.</p> <p>12 I've -- I have been -- I'm 28 years old. I</p> <p>13 have been doing campaign signs for about 13 years now.</p> <p>14 I was able to pay my way through college, and -- and</p> <p>15 I've kind of -- I've worked for well over 75 candidates</p> <p>16 in those 13 years. So, this isn't something that's new</p> <p>17 to me; it's something that I've been doing for a long</p> <p>18 time.</p> <p>19 I don't know how many of you are familiar with</p> <p>20 campaign signs, but the majority of the reason why</p> <p>21 people do contract out for campaign signs is because</p> <p>22 it's not fun. You're pounding posts into rock-hard</p> <p>23 ground, and the majority of the time it's 110-plus</p> <p>24 degrees. I kind of wish our campaign cycle was November</p> <p>25 to March, I would be a very much happier person, but</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">25</p> <p>1 it's not. So, I -- so I've been doing this for a long</p> <p>2 time.</p> <p>3 When we started with the -- the Barry Wong</p> <p>4 Campaign, I was willing to -- to be a part of that</p> <p>5 campaign; although, I heard from previous consultants</p> <p>6 to -- to be careful working with Mr. Wong because he</p> <p>7 is -- he's a difficult candidate. But because he was a</p> <p>8 four-time member of the State of House of</p> <p>9 Representatives and appointed to the Corporation</p> <p>10 Commission, I thought that it would be fine. And in all</p> <p>11 honesty, we've worked with him two previous election</p> <p>12 cycles. So, I thought that I would be okay in entering</p> <p>13 into that deal with him.</p> <p>14 The interesting thing about the Campaign is,</p> <p>15 over the campaign cycle, we didn't deal with Mr. Wong --</p> <p>16 or, I never had one interaction with Mr. Wong; it was</p> <p>17 all with Chantri Sukpon, the campaign manager. And so,</p> <p>18 it was -- it was very interesting to -- to be dealing</p> <p>19 with her, because you have to assume that what she's</p> <p>20 saying is coming from Mr. Wong. You have to assume that</p> <p>21 this is an active agent as the campaign manager for the</p> <p>22 Campaign. So, when she'd repeatedly say, you know: We</p> <p>23 don't have anyone else helping on the Campaign; you're</p> <p>24 the only person; please help us; can you go over and</p> <p>25 above what you're willing to do?</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: center;">26</p> <p>1 And -- and one of those issues was like moving  2 campaign signs. We don't ever move campaign signs  3 unless it's in violation because it's -- once they're in  4 the ground, it's a whole artwork to get them up and move  5 them and redo it. And she would say: Please, please,  6 you're the only person helping us out; we don't have any  7 volunteers, can you please help? And the thing that she  8 would always say is: Once he gets elected, once he gets  9 elected, you will get way more money. You'll get more  10 money in the next round. I would constantly say: I  11 don't need more money; I don't want more, I don't want  12 less; I just want what is owed to me, please. And she  13 would say: Oh, no, no. You are a friend of Barry;  14 you're helping Barry; please, please, we will get you  15 more money. I said: I don't need more money, I just  16 want the money that's owed to me.  17 And -- and so, when the -- when the end of the  18 campaign came and -- and Mr. Wong had been defeated and  19 we still hadn't been paid, Ms. Sukpon refused to return  20 a phone call or an e-mail to let me know where -- where  21 we were or where we stood on stuff. And -- and so -- so  22 that's -- that's where we were left.  23 And so, members of the Commission and  24 Mr. Chairman, one of things that is in the exhibits, one  25 of the documentations, is an Excel spreadsheet that I  Miller Certified Reporting</p>	<p style="text-align: center;">27</p> <p>1 had done up and sent to them. And so to your question,  2 Madame Commissioner, from the date of June 26th -- yes,  3 that one. I'm sorry.  4 MR. LANG: It's near the beginning.  5 MR. BILSTEN: From the date of June 26th --  6 MR. LANG: It's Exhibit A.  7 MR. BILSTEN: -- they actually knew -- they  8 knew the amount that -- that -- of campaign signs that  9 had been installed, where they had been installed, and  10 the total amount due. And so, it wasn't, like, on  11 campaign day it was all of a sudden a shock to them.  12 Any -- the way I look at it, is any money they  13 spent beyond June 26th, they should have been factoring  14 in the signs that had already been installed. And the  15 way we do it is there's a price for install,  16 maintenance, and take down. It's all one big lump sum.  17 And it depends on if it's Maricopa County or if it's  18 statewide.  19 And so, on that breakdown, you see I provided  20 the Campaign with the date that they were installed, the  21 number of signs installed, the price, the amount that  22 was owed to me and the city where they were installed  23 in. And so, from June 26th, they had -- they had  24 knowledge of all the amount of money that they owed me.  25 And the way that it's -- it's bundled up into install,  Miller Certified Reporting</p>
<p style="text-align: center;">28</p> <p>1 maintenance and takedown, there aren't any other hidden  2 costs in there. And so, it's -- they've known that set  3 amount for a while now.  4 The -- after -- after months of trying to send  5 phone calls and e-mails to -- to Mr. Wong and  6 Ms. Sukpon, the only other idea that I had, after  7 running out and -- excuse my daughter, she wanted to be  8 here to support me today -- was that there was an  9 address -- two addresses that I was able to find on the  10 financial documents. One of them I went to, I believe  11 it was Mr. Wong's home; there was no one there. The  12 other address that I went to was -- I found out it was  13 Ms. Sukpon's home. I had no idea if it was a home or an  14 office or anything like that.  15 And when -- I was actually walking up to the  16 gate as she was pulling out, and her response to me was:  17 I don't know Barry; I don't know Barry; I -- I worked  18 with him on the campaign, I have -- I have no  19 communication with him after the day of the election. I  20 don't know him. And I said: Chantri, I'm sorry, but  21 everyone says this is the only way to get ahold of him.  22 I'm really sorry. All I want is -- is to know: How do  23 I get in touch with him; what's the best way of going  24 about my money? And she laughed and she said: We don't  25 have anymore money. And I said: Okay. I'm sorry, but  Miller Certified Reporting</p>	<p style="text-align: center;">29</p> <p>1 I don't want to have to go to Clean Elections, it's the  2 only other thing I know if you guys won't return a phone  3 call or an e-mail. And what her response was is: What  4 are they going to do, we don't have any money. I said:  5 I -- I don't know.  6 And so, that's where -- I finally -- after that  7 encounter, I finally had to file the paperwork. And so,  8 again, I appreciate all of your -- your willingness to  9 be here.  10 One of the other comments that was mentioned in  11 the documentation from -- from Mr. Wong, was that the  12 taxpayers should -- should praise Chantri for her  13 willingness to negotiate, and that being her nature.  14 And -- and I think the taxpayers and the media and  15 everyone would like to look at the financial documents  16 and see that not only was every breakfast, lunch, dinner  17 and Starbucks paid for by the taxpayers, but also  18 that -- that she received a \$20,000 salary.  19 All of this stuff was okay and was taken care  20 of, but then when it came time to pay the labor, who  21 paid for gas, who paid for mileage, paid for my hotels  22 statewide to install campaign signs, when it came time  23 to pay me, they just didn't have anymore money. And  24 there was never an issue throughout the entire campaign  25 of what the amount was; the only issue became when the  Miller Certified Reporting</p>



<p style="text-align: center;">30</p> <p>1 election was over and the big statement was done and  2 there wasn't any more money, it was: Now, how do we --  3 how do we deal with this?  4       There was never one question raised throughout  5 the entire campaign as to the amount of signs, the  6 amount that were installed and the price. And -- and  7 Mr. Ford is the one who prints the signs, and I know  8 he's got a -- a distinct opinion on all this matter as  9 well, so. And Mr. Ford is the one back there with Looks  10 Goods Enterprises.  11       CHAIRPERSON FAIRMAN: Questions. Commissioner  12 Daniels, you had a question?  13       COMMISSIONER DANIELS: Yes. Mr. Chairman,  14 Mr. Bilsten, I don't know if it's so much a question as  15 -- well, I guess, it is. Have you thought about going  16 through, like, small claims court, which Todd had talked  17 about?  18       MR. BILSTEN: You know what, this is all new to  19 me. I'm, unlike Mr. Wong, I'm not an attorney. I work  20 outdoors, beating myself up for a living, installing  21 campaign signs. And this is all, in all honesty,  22 very -- a frightening experience, because I'm not -- so  23 -- so I didn't know. I've never done small claims  24 court. I didn't know if that was the next step, in all  25 honesty. I thought: Mr. Wong's an attorney, so I'm</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">31</p> <p>1 already heading up against it. So, the only thing I  2 thought is, this -- as a Clean Elections candidate, I  3 thought the Commission would appreciate knowing it, and  4 I thought the taxpayers and the voters would appreciate  5 knowing it, because, you know, Mr. Wong has a history of  6 running for office. And if he's going to run for office  7 again, I think this is something that's very important  8 for people to understand, is if he's going to receive a  9 hundred thousand dollars in Clean Elections' money  10 again, it's important to know.  11       COMMISSIONER DANIELS: And Mr. Chairman,  12 Mr. Bilsten, I just wanted --  13       MR. BILSTEN: Sure.  14       COMMISSIONER DANIELS: -- you do understand, we  15 can't pay you the money.  16       MR. BILSTEN: No, no. Yeah, I absolutely do.  17       COMMISSIONER DANIELS: There's no money there.  18 The only thing we could do would be to find a reason to  19 believe if --  20       MR. BILSTEN: Sure.  21       COMMISSIONER DANIELS: -- if we so believe  22 that, and then to fine him --  23       MR. BILSTEN: Sure. Sure.  24       COMMISSIONER DANIELS: -- individually. But it  25 still doesn't get you your money. So, I just wanted to</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: center;">32</p> <p>1 make sure you weren't coming here thinking you were  2 going to get some kind of financial --  3       MR. BILSTEN: No, no, no, no. I -- no, I knew  4 that right away. Mr. Ruiz is amazing, walking me  5 through the whole process. And to be honest, I -- I  6 felt like through the end of the campaign, that I was  7 being bullied by the Wong Campaign. I felt like a  8 refusal to answer a phone call or an e-mail or to even  9 explain: Hey, we ran out of money.  10       And one of the things that I had said to them  11 is: Look, if you ran out of money and you need to put  12 me on a payment plan or you're giving me a hundred  13 dollars a month for the next, whatever, 70 months,  14 that's fine with me. I just -- I just want to get this  15 resolved. I just want to figure out where the money is  16 and was. And it was a complete lack of respect, almost  17 putting your head in the sand, to just say: We're not  18 even going to deal with you, you're going to go away.  19 And that's where I felt like this is, you know, I  20 thought that this might be the role of the Commission,  21 and -- and this is the only group I thought to bring it  22 to.  23       COMMISSIONER DANIELS: And Mr. --  24       CHAIRPERSON FAIRMAN: You want to carry that  25 further?</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">33</p> <p>1       COMMISSIONER HOFFMAN: Mr. Chairman?  2       COMMISSIONER DANIELS: Just a second, Louis --  3       CHAIRPERSON FAIRMAN: One second.  4       COMMISSIONER DANIELS: -- I have one more  5 question.  6       Mr. Chairman, Mr. Bilsten, do you ever have  7 written contracts with other campaigns --  8       MR. BILSTEN: No.  9       CHAIRPERSON FAIRMAN: -- or do you always do it  10 verbally?  11       MR. BILSTEN: Never. In 13 years, it's always  12 been a phone call that says -- and like I say, I've --  13 after this year, I've probably worked on over 90  14 campaigns. And -- and as weird as it is, as weird of a  15 niche as I've carved out, as people know me as, like,  16 the campaign sign guy. I've been doing it for so long  17 and I know the state so well, people will call me and  18 say: Hey, I'm running for this office, it's in this  19 area, how many signs would you suggest that I do? And I  20 would give them an idea and a price quote right then and  21 there. And they say: Okay. Great. Do it. There's  22 never been an issue with taking it to court, with  23 disputing prices. This has always -- it's always been  24 pretty straightforward, as I do the work because most  25 people don't want to do the work. And then people are</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: right;">34</p> <p>1 usually happy to pay me because they didn't have to go  2 out in the 117 degrees and pound posts into rock-hard  3 ground.  4 COMMISSIONER DANIELS: And Mr. Chairman, I was  5 going to tell you, Todd, I had consultants on my  6 campaign and never had a written contract. And I think  7 probably in the future it would be a wise idea for us  8 to, in candidate training, to say: If you're going to  9 subcontract out, let's -- or contract out, or do what  10 you do, let's do a written contract. And -- and maybe  11 even as a Commission, we could come up with a  12 generic-type contract that we could show candidates, so  13 that this wouldn't happen again in the future.  14 Because I know I had a couple consultants that  15 it was a monthly fee that they would pay to do things,  16 and -- and I understand you not having a written  17 contract, but I think that's probably a lot of the issue  18 here, too. If it had been in writing, it might have  19 been a little easier.  20 MR. BILSTEN: Yeah. And -- and Mr. Chairman,  21 and members of the Commission, I -- I heard what  22 Mr. Executive Director was speaking about earlier and  23 this being a lesson, and -- and I guess I'm back there  24 just wincing because it's an expensive lesson to learn  25 on -- on my behalf. And that's the hard thing is</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">35</p> <p>1 looking at this like, man... I absolutely agree, you  2 know, a form would be wonderful, but it's --  3 CHAIRPERSON FAIRMAN: Commissioner Hoffman, can  4 you hold on one second, I've got a -- Commissioner  5 Reckart has a question.  6 COMMISSIONER HOFFMAN: Sure.  7 CHAIRPERSON FAIRMAN: Please.  8 COMMISSIONER RECKART: Is this something --  9 when I say "this," I'm pointing to the spreadsheet that  10 you put together.  11 MR. BILSTEN: Yes.  12 COMMISSIONER RECKART: This was something you  13 put together in connection with the preparation of this  14 letter on September 1st; is that correct?  15 MR. BILSTEN: No. The Excel spreadsheet,  16 Mr. Chairman and members of the Commission, there had  17 been preparation. There's another document in there  18 that's the first invoice that I had sent them, when I'd  19 got my first \$7,500, and the agreement was that they  20 were going to pay me half of the money now and half of  21 the money at the end of the campaign.  22 COMMISSIONER RECKART: That was an oral  23 arrangement?  24 MR. BILSTEN: Correct.  25 COMMISSIONER RECKART: Okay.</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">36</p> <p>1 MR. BENNETT: And so that was the -- the check  2 and the invoice for the first half of the money. Then  3 what would happen is with Ms. Sukpon, every single time  4 -- she liked to have her hand in a lot of different  5 aspects of the campaign. So, every single time I'd  6 finish a city or a town, she'd receive a phone call or  7 an e-mail saying, usually: Hi, Ms. Sukpon, this is Tom,  8 I'm just finishing up Kingman, here's the amount of  9 signs, we're heading to Lake Havasu. We just finished  10 this, we're heading to Bullhead. And it was -- it was  11 like that with every aspect of the campaign. And there  12 were numerous e-mails sent back and forth when an area  13 would be completed or when she would have an issue.  14 And so, none of this was ever out of the clear  15 blue, none of it was ever: Oh, by the way, I just went  16 and I thought you guys could use a hundred additional  17 signs in Lake Havasu; it was all at their direction.  18 COMMISSIONER RECKART: Thank you.  19 CHAIRPERSON FAIRMAN: Commissioner Hoffman.  20 MR. BILSTEN: Thank you, sir.  21 COMMISSIONER HOFFMAN: Yes. Is it Mr. Bilsten,  22 is that how you say it?  23 MR. BILSTEN: Bilsten, sir.  24 COMMISSIONER HOFFMAN: Bilsten. Okay.  25 Mr. Bilsten, thank you for bringing it to our attention,</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">37</p> <p>1 in any event. Regardless of how we end up voting, and  2 I'm not sure how we are going to end up voting, but I do  3 appreciate your having brought it to our attention.  4 There was a indication that you had -- you were  5 a subcontractor, in effect, for LGE; is that -- is that  6 how it came -- it went originally?  7 MR. BILSTEN: Mr. Chairman and members of the  8 Commission, that might be a thing that Mr. Ford would  9 have some great insight into as well.  10 Usually, the way it works is for -- for tax  11 purposes, for recording purposes, we always like the  12 campaigns to -- to work directly with me. They'll pay  13 Mr. Ford and Looks Good Enterprises for the printing of  14 the signs, for the product, the coroplasty and all the  15 details that go there, and then they will write me a  16 check directly. So, that at the end of the year, just  17 like anything else, Mr. Ford doesn't have to then worry  18 about giving me a 1099, and doesn't have to deal with  19 it. So, we always try to -- as someone, you know, my  20 mom was in -- on the Phoenix City Council for 14 years,  21 we like to keep as clear a paper trail as possible. So,  22 instead of there being one large check going to Mr. Ford  23 and then having him give many other checks, if there's a  24 check directly to me, then whether it's for the  25 Commission or the taxpayers, or anyone reviewing the</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: right;">38</p> <p>1 documents, it's a very clear paper trail.</p> <p>2 COMMISSIONER HOFFMAN: But Mr. Bilsten, I</p> <p>3 appreciate if you'd keep -- keep things a little brief</p> <p>4 here, because I do have a couple of questions and I</p> <p>5 don't want to take -- consume excessive time here. If</p> <p>6 we can just keep on track.</p> <p>7 Who was the first person that called you about</p> <p>8 the Wong Campaign, was it Mr. Ford, Ms. Sukpon, or</p> <p>9 somebody else?</p> <p>10 MR. BILSTEN: Mr. Chairman, members of the</p> <p>11 Commission, yes, it's usually Mr. Ford will receive a</p> <p>12 phone call from someone saying that they're interested</p> <p>13 in doing campaign signs. And usually, before he agrees</p> <p>14 to -- to print them, he'll call me and say: Would you</p> <p>15 be interested in putting up this amount of campaign</p> <p>16 signs here for this candidate?</p> <p>17 COMMISSIONER HOFFMAN: Okay. And so --</p> <p>18 CHAIRPERSON FAIRMAN: If I might interrupt,</p> <p>19 Louis --</p> <p>20 COMMISSIONER HOFFMAN: -- you got a call on</p> <p>21 this case from Mr. Ford saying: I'm interested in</p> <p>22 having you install for the Wong Campaign. Are you</p> <p>23 willing to do it at your usual rate or whoever?</p> <p>24 MR. BILSTEN: Mr. Chairman, members of the</p> <p>25 Commission, no. That's not the way the phone call went</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">39</p> <p>1 on this one. He actually contacted me and asked me if I</p> <p>2 would be willing to work with them directly, because he</p> <p>3 had had problems with him in the past and he did not</p> <p>4 want to be involved in the campaign sign installation,</p> <p>5 maintenance, and takedown aspect of it. So, he -- he</p> <p>6 told me that I would be dealing with them directly.</p> <p>7 COMMISSIONER HOFFMAN: So did you then call the</p> <p>8 Wong Campaign directly?</p> <p>9 MR. BILSTEN: Mr. Chairman, members of the</p> <p>10 Commission; yes, sir. I believe my next communication</p> <p>11 then was with Ms. Sukpon, going over an idea of -- of</p> <p>12 how many signs would be disbursed to -- to what</p> <p>13 locations across the state.</p> <p>14 COMMISSIONER HOFFMAN: Okay. Did you do any</p> <p>15 kind of e-mail or something identifying the number of</p> <p>16 signs in each location?</p> <p>17 MR. BILSTEN: Mr. Chairman, members of the</p> <p>18 Commission; yes, sir. I believe that there is an e-mail</p> <p>19 in one of exhibits that talks about where we would be</p> <p>20 going and the amounts that would be installed.</p> <p>21 COMMISSIONER HOFFMAN: Okay. And this Excel</p> <p>22 spreadsheet which is -- is that Exhibit A --</p> <p>23 MR. LANG: Yes.</p> <p>24 COMMISSIONER HOFFMAN: -- Mr. Chair?</p> <p>25 CHAIRPERSON FAIRMAN: Yes.</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">40</p> <p>1 COMMISSIONER HOFFMAN: Okay. The -- so was</p> <p>2 there -- is this the part that's unpaid for or the --</p> <p>3 the total list of signs?</p> <p>4 MR. BILSTEN: Mr. Chairman and members of the</p> <p>5 Commission, I believe that there -- it should be a page</p> <p>6 attached to it explaining. Let me look here. Yes.</p> <p>7 There should be -- that was attached to an</p> <p>8 e-mail, and in the e-mail it -- it explains that I</p> <p>9 installed 160 campaign signs in Maricopa County,</p> <p>10 totaling \$4,000 -- \$4,000. I installed 310 campaign</p> <p>11 signs around the rest of the state, totaling \$10,850;</p> <p>12 that I've been paid seven hundred -- or \$7,500. That</p> <p>13 brings the total amount owed to me at \$7,350.</p> <p>14 COMMISSIONER DANIELS: Louis, that's in</p> <p>15 Exhibit F, about two pages in.</p> <p>16 MR. BILSTEN: And -- yes, sir.</p> <p>17 COMMISSIONER HOFFMAN: Thank you.</p> <p>18 MR. BILSTEN: Yes, sir. I just -- over the</p> <p>19 years I've learned that campaigns have so much going on,</p> <p>20 I try to make it as concise and as clear as possible for</p> <p>21 them to understand.</p> <p>22 COMMISSIONER HOFFMAN: Did you disclose to</p> <p>23 staff the -- you know, to Mr. Ruiz or other Clean</p> <p>24 Elections staff, all of the e-mails with Ms. Sukpon</p> <p>25 where you identified where were you putting signs?</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">41</p> <p>1 MR. BILSTEN: Mr. Chairman, members of the</p> <p>2 Commission, I believe that I -- that I disclosed</p> <p>3 everything that -- to the best of my knowledge, that I</p> <p>4 thought would be relevant to this issue. To be</p> <p>5 honest --</p> <p>6 COMMISSIONER HOFFMAN: I'm not sure that</p> <p>7 answers my question.</p> <p>8 MR. BILSTEN: Well, I --</p> <p>9 COMMISSIONER HOFFMAN: Now, you were referring</p> <p>10 how you went around the state, you would send her a note</p> <p>11 saying: I just finished, you know, 10 signs in Kingman,</p> <p>12 I'm moving on to Bullhead City, whatever it was. Did --</p> <p>13 did that -- did those e-mails get sent to staff?</p> <p>14 MR. BILSTEN: Sir, I'm not sure. Actually, the</p> <p>15 majority of the time what I was saying is, I would</p> <p>16 actually call her, because when I'd be driving from --</p> <p>17 from town to town, I wouldn't have the time to type up</p> <p>18 an e-mail, I'd usually be moving from one town to the</p> <p>19 next. And I would call her and say that, just to give</p> <p>20 her a heads up, this has been completed. And she was</p> <p>21 always very grateful of that, as she, you know, would</p> <p>22 like to know, as most campaign managers do, so they can</p> <p>23 report back to the candidate when a town has been</p> <p>24 completed and when they can tell their people to start</p> <p>25 looking for them in that locations. So, I believe a</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: center;">42</p> <p>1 lot of that was done over the phone.</p> <p>2 CHAIRPERSON FAIRMAN: Is there anything else,</p> <p>3 Commissioner Hoffman?</p> <p>4 COMMISSIONER HOFFMAN: I think not for now.</p> <p>5 Thank you.</p> <p>6 CHAIRPERSON FAIRMAN: In that case, thank you</p> <p>7 very much, Mr. Bilsten.</p> <p>8 MR. BILSTEN: Thank you, sir.</p> <p>9 CHAIRPERSON FAIRMAN: Mr. Ford, would you --</p> <p>10 would you like to make a presentation to the Commission?</p> <p>11 MR. FORD: That's correct. I'd like to thank</p> <p>12 you all for being here today. My name is Bob Ford.</p> <p>13 I'd like to compliment Mr. Ruiz for all the</p> <p>14 work that he's done with contact with both parties --</p> <p>15 or, all three parties. I know there's a lot of work</p> <p>16 involved here.</p> <p>17 I am here today in support of the claim that</p> <p>18 Mr. Bilsten has. I just want everyone to know that</p> <p>19 Barry Wong does not owe Looks Good any money whatsoever.</p> <p>20 They paid their balance off, and there was -- the check</p> <p>21 that they dropped off, there was about \$4,100 left, but</p> <p>22 the balance that was needed to be paid was approximately</p> <p>23 \$10,000. I repeatedly asked Chantri that: When you</p> <p>24 come down, you need to bring three checks; and on two</p> <p>25 separate occasions, I gave her the totals of what she</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">43</p> <p>1 owed and who they owed: Looks Good, Dillon Ford, and</p> <p>2 Mr. Tom Bilsten. Okay?</p> <p>3 Now, this has gotten into a "he said/she said,"</p> <p>4 "I ordered/I didn't order," and I'm going to try and</p> <p>5 explain a little bit of what was ordered.</p> <p>6 Originally, when we got started, Mr. Wong</p> <p>7 approached me about printing and sign installation</p> <p>8 across the state for his campaign. We gave them --</p> <p>9 him -- him, excuse me, Mr. Wong, Chantri, several</p> <p>10 quotes. They would come in one day and say: Well, if</p> <p>11 we print 200 four-by-fours on 10 mill, how much is it?</p> <p>12 How much on 6 mill? How much is it on 4 mill? And so,</p> <p>13 they changed the formula all around.</p> <p>14 But the first thing that I did, is I contacted</p> <p>15 Mr. Bilsten, and I said: Tom, if you're going to do a</p> <p>16 statewide campaign, can you give me an idea of how much</p> <p>17 in each locality, whether it's Havasu, whether it's</p> <p>18 Tucson, because I really don't know, okay? I looked at</p> <p>19 his expertise, because he's been utilized on many</p> <p>20 campaigns for the last 10 years doing statewide</p> <p>21 campaigns. Does great work. I respect him well. Never</p> <p>22 a complaint -- a legitimate complaint.</p> <p>23 So, he, Tom, supplied to me what he thought</p> <p>24 would be a good mix throughout the state. That was</p> <p>25 forwarded to Mr. Wong and Chantri, and then they decided</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: center;">44</p> <p>1 how many signs they were going to produce, and how many</p> <p>2 signs that they were going to put in Tucson, put in all</p> <p>3 the outlying rural areas. There were some areas they</p> <p>4 said: We're not going to go there because we'll go up</p> <p>5 to Winslow, we'll put two signs up, and two days later</p> <p>6 they'll be down, okay?</p> <p>7 So, Mr. Wong's Campaign knew exactly -- they</p> <p>8 finally made a decision on how many signs they wanted</p> <p>9 printed, the locations, and the costs, okay, associated</p> <p>10 with everything. Okay. We printed signs. And,</p> <p>11 specifically, we printed 50 Mr. Wong signs that were</p> <p>12 one-sided on 4 mill that the Campaign -- Mr. Wong and</p> <p>13 Chantri -- wanted to put up themselves, okay? It's the</p> <p>14 third item on the invoice: 50 Wong four-by-four signs,</p> <p>15 one-sided.</p> <p>16 COMMISSIONER HOFFMAN: Can people refer me to</p> <p>17 the exhibit, please.</p> <p>18 MR. FORD: B-1, Page 10.</p> <p>19 COMMISSIONER HOFFMAN: Thank you.</p> <p>20 MR. FORD: Thank you, sir.</p> <p>21 So, we printed the signs, we had a verbal</p> <p>22 agreement, and they did have a written quote of what</p> <p>23 things were going to cost. There was never a written</p> <p>24 contract; it was just a verbal contract. And, you know</p> <p>25 what, to be honest with ya, I've done work for Barry</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">45</p> <p>1 since he was in the legislature. I've posted signs for</p> <p>2 him at his garage at his house many, many years ago, so</p> <p>3 we've known each other for a long, long time.</p> <p>4 The problem with this campaign is that Mr. Wong</p> <p>5 delegated to Chantri to make decisions on his behalf.</p> <p>6 She would come in, and I'll give you this example,</p> <p>7 Mr. Wong in his campaign states that we produced more</p> <p>8 signs than they requested. Well, when Ms. Chantri asked</p> <p>9 for these 50 one-sided signs, we were told that the</p> <p>10 Campaign, meaning Mr. Wong and her, were going to put</p> <p>11 them up themselves, okay? I said: That's fine. We</p> <p>12 loaded them in their car. I called Chantri and I said:</p> <p>13 Chantri, based on you taking 50 signs, we do not have</p> <p>14 enough signs to do the areas that you want in the</p> <p>15 quantities, and her response was: Print 50 more signs.</p> <p>16 Fine, we'll do that.</p> <p>17 A couple days later, she came back with those</p> <p>18 four-by-four signs, stating they were too difficult to</p> <p>19 put up and asked us to put them up. I at that time</p> <p>20 said: You're going to have to pay for it, we're not</p> <p>21 going to put them up. And so, that's where the number</p> <p>22 discrepancy comes in, is because she requested more</p> <p>23 signs to be printed and also authorized for them to be</p> <p>24 paid to be put up.</p> <p>25 Now, one of the -- the -- the issues that we</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: center;">46</p> <p>1 had with -- with the Campaign is Mr. Wong is complaining  2 that our work is inferior, we didn't meet standards.  3 They ordered some brochures, and I'm holding this up,  4 okay? This is a very poor copy of what we printed.  5 It's a copy probably of a copy of a copy. They ordered  6 5,000 of these. Well, they were not tri-folded, okay.  7 So, I had people in my office spend hours tri-folding  8 them for them. We got about 2,500 done, they were going  9 to go out of town to a rodeo or a parade or something,  10 they decided to take those 5,000 in their entirety. And  11 I said: Chantri, if you're taking them and you don't  12 bring them back, the ones that are not folded, you get  13 to pay for them. No problem whatsoever. She ordered  14 another 5,000, okay?  15 When those 5,000 came in, they were tri-folded,  16 but then she complained that Barry's face was not on the  17 front. They were tri-folded with Barry's face not being  18 able to look at. So, I said: Chantri, the only thing  19 that you have to do when you hand these out, is just  20 unfold it one fold, Barry's face is on the front. She  21 decided to take the box. I loaded the box in her car.  22 And one of Barry's statements is that the  23 quality was not there, so he decided to throw them away.  24 If you went to a store and bought a bicycle and you  25 didn't like the quality, would you throw it away or</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">47</p> <p>1 would you return it? In his -- his statements, he threw  2 them away. Why you do that, I don't know. But he did  3 not return them; so, therefore, I charged him.  4 I think that the way they disposed of them was  5 handing them to people at the events, that's how he  6 disposed of them. Okay.  7 And this is just my opinion, okay? The reason  8 that we're here today is that Mr. Wong gave Chantri way  9 too much authority; there was a communication breakdown  10 on what she was spending, when she was spending, how she  11 was spending it, okay? If you take a look at all of  12 these documents -- and I'm trying to support Tom because  13 that's the agreement. If you take a look at the  14 original checks that were wrote for Tom Bilsten and  15 Dillon Ford, to put up signs, they were not to Looks  16 Good Printing. And the reason that it was done that way  17 is because I did not want to be the contractor  18 responsible for the install, maintenance, and takedown  19 of their signs. And the reason is, is I did it -- his  20 in his previous campaign, and I would get calls at  21 10 o'clock at night on Sunday, telling me that there's a  22 sign down on Grand Avenue. I mean, we're talking  23 hundreds of phone calls. I did not want to deal with  24 that; so therefore, Tom Bilsten and Dillon Ford were the  25 contractors for installation, maintenance, and takedown.</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: center;">48</p> <p>1 They knew what the costs were upfront. In  2 fact, I made them write checks to Dillon in the amount  3 of \$2,500 and Tom Bilsten in the amount of \$7,500, which  4 was a down payment. So -- and what Barry is saying  5 is -- is basically untrue.  6 Now, I want to get a little bit into, there was  7 never one complaint, they knew the numbers, they knew  8 what signs were printed. They asked -- Chantri asked us  9 to print more. She brought back some, asked us to put  10 them up. So, all the communication that we had was with  11 Chantri. If they overspent, that's the campaign's  12 problem, okay?  13 And Commissioner Daniels, a -- a response to a  14 question that you had earlier, was I privileged to know  15 what their limits were and where they were at in  16 spending them? No, I was not, okay? And two, I did not  17 print one item more than they asked for. Not one item.  18 Because I'm not going -- and once we had an agreement  19 and the price was set, that was the price. Because in  20 my belief, if I set a price in an agreement and then I  21 change that price to give them a discount 30 days later,  22 that would be an in-kind, which would be illegal, which  23 I'm not going to do.  24 So, I always told Chantri when she asked for a  25 discount: There is no more discounts; that's the price</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">49</p> <p>1 you agreed on, that's what you're paying, okay. So,  2 there was never any complaints about printing too many  3 signs until --  4 CHAIRPERSON FAIRMAN: I would ask you to kind  5 of --  6 MR. FORD: I'm trying to wrap it up.  7 CHAIRPERSON FAIRMAN: -- you're going over some  8 of the same materials --  9 MR. FORD: I'm getting to the end.  10 CHAIRPERSON FAIRMAN: -- that's all.  11 MR. FORD: I'm getting to the end, sir. Thank  12 you very much.  13 She came in one time and asked again for the  14 total. I said: The totals haven't changed; you owe  15 Dillon \$2,500, Tom \$7,500, and you owe Looks Good  16 whatever that amount was. I think it was, like,  17 \$10,000, \$11,000, somewhere in that range. I said: You  18 need to bring three separate checks.  19 I have a voice mail on my phone right now that  20 I would ask that you can listen to. And, basically,  21 what it is, it's a voice mail from Chantri after she was  22 given the total amounts: Oh, that they didn't have the  23 money. Can I --  24 CHAIRPERSON FAIRMAN: I would prefer not to  25 hear that because, quite frankly, we're here regarding</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: right;">50</p> <p>1 Clean Elections and not small claims court.</p> <p>2 MR. FORD: Correct.</p> <p>3 CHAIRPERSON FAIRMAN: And I think a lot of the</p> <p>4 things that we're discussing would probably be better</p> <p>5 suited for another venue, other than how it really</p> <p>6 affects and directly reflects on the Clean Elections</p> <p>7 Commission. So, I would ask you to hold off on that.</p> <p>8 MR. FORD: Okay. I will not play it. I did</p> <p>9 play it for Mr. Ruiz.</p> <p>10 CHAIRPERSON FAIRMAN: That's fine.</p> <p>11 MR. FORD: Okay. And the reason I did that is</p> <p>12 because, in my opinion, they had overspent, okay? So</p> <p>13 she comes to my office and says: I don't have the money</p> <p>14 to pay everything. And I go: Well, you know what,</p> <p>15 that's a problem. You didn't bring three checks, you</p> <p>16 only brought one check. So that is a problem. And I</p> <p>17 said: If you don't have the money to pay the</p> <p>18 installers, the ones that installed and maintained, they</p> <p>19 are not going to take down your signs. She goes:</p> <p>20 That's fine, but we need a discount. I said: Here's</p> <p>21 what I'll do to work with you. And this -- this took</p> <p>22 about 20 minutes.</p> <p>23 CHAIRPERSON FAIRMAN: Please wrap it up. I'm</p> <p>24 sorry.</p> <p>25 MR. FORD: I -- I requested that what I would</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">51</p> <p>1 do to help the Campaign and help the installers, is that</p> <p>2 if they took down their own signs and they brought the</p> <p>3 posts back, I would buy them from them. And that I</p> <p>4 would store them, just like I have 10,000 other posts,</p> <p>5 and I would take that \$3 a post and I would give it to</p> <p>6 the installers to take care of their financial issues.</p> <p>7 And when she walked out, she said: That's the</p> <p>8 agreement, that's what we'll do. And then there was no</p> <p>9 communication from there.</p> <p>10 CHAIRPERSON FAIRMAN: Are there any questions</p> <p>11 of Mr. Ford? Thank you very much. I appreciate it.</p> <p>12 MR. FORD: Thank you, sir. Thank you,</p> <p>13 Commissioners.</p> <p>14 CHAIRPERSON FAIRMAN: Mr. Wong, would you like</p> <p>15 to address the Commission?</p> <p>16 MR. FORD: May I -- may I add one more comment,</p> <p>17 please, sir.</p> <p>18 CHAIRPERSON FAIRMAN: Quickly.</p> <p>19 MR. FORD: Okay. What I find very disturbing</p> <p>20 -- and I commend you for what you do -- is that I was</p> <p>21 here to support Mr. Bilsten and Mr. Ford on what was</p> <p>22 owed. I had to provide documents, sign them, have them</p> <p>23 notarized, same way with the people that were privy to</p> <p>24 conversations. I have -- there's four other documents,</p> <p>25 three or four other documents that are notarized.</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">52</p> <p>1 There is not one, not one document on any</p> <p>2 conversation from Chantri. There is not one document</p> <p>3 that she wrote, there is not one document that she</p> <p>4 signed. And so, in my opinion, all of this stuff that</p> <p>5 was produced by Mr. Wong is all third-party.</p> <p>6 CHAIRPERSON FAIRMAN: Thank you.</p> <p>7 MR. FORD: Thank you.</p> <p>8 CHAIRPERSON FAIRMAN: Mr. Wong, please</p> <p>9 approach.</p> <p>10 COMMISSIONER HOFFMAN: Who was that speaking</p> <p>11 there?</p> <p>12 COMMISSIONER DANIELS: Mr. Ford.</p> <p>13 CHAIRPERSON FAIRMAN: Mr. Ford.</p> <p>14 COMMISSIONER HOFFMAN: Okay. Thank you.</p> <p>15 MR. WONG: Good morning.</p> <p>16 CHAIRPERSON FAIRMAN: Please.</p> <p>17 MR. WONG: Mr. Chairman, members of the</p> <p>18 Commission. My name is Barry Wong. I'm here</p> <p>19 representing the campaign called "Barry Wong for</p> <p>20 Corporation Commission 2010." I was the candidate and</p> <p>21 also chairman of this campaign. And also I wrote the --</p> <p>22 as the Respondent, I wrote the letters in response to</p> <p>23 all communications for Mr. Ruiz, and I had it notarized</p> <p>24 and sworn statements.</p> <p>25 I first wanted to, again, commend Mr. Ruiz for</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">53</p> <p>1 his professionalism and thoroughness in working with me</p> <p>2 and my campaign, and getting all the facts and</p> <p>3 circumstances relative this -- to this complaint.</p> <p>4 I would like to address a few points this</p> <p>5 morning. Is that I support the recommendation of</p> <p>6 Mr. Lang in the Statement of Reasons of Executive</p> <p>7 Director, relative to his conclusion that there is no</p> <p>8 violation of exceeding the spending limit, and also that</p> <p>9 this is not the appropriate venue for this Complainant</p> <p>10 with regard to the substance of his complaint.</p> <p>11 But I do want to address a couple of points in</p> <p>12 Mr. Lang's Statement of Reasons, for the record, that I</p> <p>13 let you make, at least from my perspective, a</p> <p>14 correction. He references the company as a consulting</p> <p>15 company, Mr. Ford's company, which is Looks Good</p> <p>16 Enterprises. I just wanted to state for the record that</p> <p>17 the Campaign did not hire his company as a consulting</p> <p>18 company, but strictly as a vendor, as a contractor.</p> <p>19 As you can research, the Corporation Commission</p> <p>20 records show Looks Good Enterprises as a corporation,</p> <p>21 and also its tradename as Looks Good Printing and Sign</p> <p>22 Services. The Campaign hired the company, Looks Good</p> <p>23 Printing and Sign Services, to provide sign services,</p> <p>24 campaign signs, flyers, and all the other goods and</p> <p>25 services, including installation, as described in the</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: center;">54</p> <p>1 Campaign's response.</p> <p>2 I also want to make correction, the Campaign</p> <p>3 did not authorize Mr. Ford's company, Looks Good</p> <p>4 Enterprises, as an agent of the Campaign. They were</p> <p>5 never authorized to represent the Campaign as its agent,</p> <p>6 and it legal -- in this legal definition of "agency."</p> <p>7 Their responsibility was to manufacture and deliver the</p> <p>8 goods and services as ordered by the Campaign.</p> <p>9 A good example, as a analogy, is that a sign</p> <p>10 company, for example, Kinko's Printing, if I was going</p> <p>11 to hire them to provide printing services or flyers or</p> <p>12 banners, I would expect them to deliver on the goods and</p> <p>13 services I ordered. I'm not authorizing a Kinko's, for</p> <p>14 example, to be my agent, subcontract on banner services,</p> <p>15 as an example, and should not be responsible for who</p> <p>16 they subcontract with. I'm using that just as an</p> <p>17 example.</p> <p>18 Further, with regard to Mr. Lang's Statement of</p> <p>19 Reasons, I do want to state for the record that in his</p> <p>20 Page 3, second paragraph, said that: "The Commission</p> <p>21 may find the services provided by the Respondents were</p> <p>22 in-kind contributions." I would oppose that and</p> <p>23 disagree with that, any characterization that they may</p> <p>24 be considered in-kind contributions in violation of the</p> <p>25 contribution limits and the timeline for giving</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">55</p> <p>1 contributions. Because, if that was characterized as</p> <p>2 in-kind, I think that would be inappropriate, because</p> <p>3 the Campaign would -- did not know that these extra</p> <p>4 services or goods were furnished to the Campaign, so we</p> <p>5 never would have had the opportunity to reject the offer</p> <p>6 of provision of such services or in-kind that would have</p> <p>7 been illegal.</p> <p>8 Further, Mr. Lang's -- this is just merely a</p> <p>9 technical issue -- he referred to the Campaign's letter</p> <p>10 dated September 9, 2010, addressed to the Commission --</p> <p>11 Clean Elections Commission, and their -- as the</p> <p>12 reference to the Complainant. Actually, the letter, as</p> <p>13 you can see from the record, is that the Campaign,</p> <p>14 myself as the author of that letter, wrote it in</p> <p>15 response to Mr. Ford's phone communication message to</p> <p>16 me, saying that if -- essentially, paraphrasing, that if</p> <p>17 you don't address the payment issue and settle</p> <p>18 accordingly, that he may file a complaint with the</p> <p>19 Corporation Commission, "he" being Looks Good</p> <p>20 Enterprises, Bob Ford. So, that was the -- the</p> <p>21 reference of the September 9, 2010, letter about Mr.</p> <p>22 Ford but not Mr. Bilsten. That's just more of a</p> <p>23 technical, for-the-record, correction.</p> <p>24 Now, I'd like to address some points made by</p> <p>25 Mr. Bilsten and Mr. Ford this morning. The Campaign</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: center;">56</p> <p>1 contracted with Looks Good Enterprises, tradename Looks</p> <p>2 Good Printing and Sign Service -- I'll just call it</p> <p>3 Looks Good, so that we know that collectively that's</p> <p>4 what we mean -- and did not contract with the --</p> <p>5 Mr. Bilsten or even Mr. Ford's son, Mr. Dillon Ford.</p> <p>6 The Campaign -- Barry Wong had previously hired Mr. Ford</p> <p>7 in many cases in the past, and he was always the go-to</p> <p>8 person as the person that would provide the sign --</p> <p>9 signs, manufactured as well as installation; he was the</p> <p>10 turnkey operator. So, it was -- it was the same way of</p> <p>11 doing business in the past as it is in this campaign.</p> <p>12 In fact, based on the discussions that you just</p> <p>13 heard this morning, testimony, Mr. Ford referred to</p> <p>14 Mr. Bilsten as providing him with, quote, "information,</p> <p>15 information about signs," and then Mr. Ford would</p> <p>16 forward that information to my campaign manager, Chantri</p> <p>17 Sukpon. In fact, she is not here today because she's in</p> <p>18 Thailand attending a family wedding, but she would have</p> <p>19 loved to be here. And, also, in my response</p> <p>20 incorporates her comments, because the campaign</p> <p>21 chairman, me, is responsible for all activities within</p> <p>22 the campaign, including the campaign manager. But I</p> <p>23 just wanted to state for the record that information</p> <p>24 provided by Ms. Sukpon, my campaign manager, I trust her</p> <p>25 implicitly. I have no reason to doubt her statements.</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">57</p> <p>1 And she's a successful businesswoman, and that's why she</p> <p>2 was my campaign manager. And I have no reason to doubt</p> <p>3 what she -- all the work she did for the Campaign,</p> <p>4 including negotiating the best prices for the Campaign.</p> <p>5 Now, to get back to the comments by Mr. Bilsten</p> <p>6 and Mr. Ford, I don't question the hard work by</p> <p>7 Mr. Bilsten. He had furnished some character references</p> <p>8 from some of his other clients. That's not the issue</p> <p>9 here. The issue is, does Mr. Bilsten work for the Barry</p> <p>10 Wong for Corporation Commission 2010 Campaign?</p> <p>11 The answer is no. That's why -- that's why we</p> <p>12 avoided responding to him -- to him in his inquiries,</p> <p>13 because his appropriate recourse is Mr. Ford, Looks Good</p> <p>14 Enterprises, not this Campaign. We felt that if we</p> <p>15 acknowledged his overtures, that that would be a -- a --</p> <p>16 a direct or tacit acknowledgment that he is working</p> <p>17 directly for the Campaign.</p> <p>18 In addition, it was offensive to both me and</p> <p>19 the campaign manager that he was, essentially, stalking</p> <p>20 her house. He said that he looked up the Campaign</p> <p>21 finance information --</p> <p>22 COMMISSIONER HOFFMAN: Mr. Chairman?</p> <p>23 CHAIRPERSON FAIRMAN: Yes.</p> <p>24 COMMISSIONER HOFFMAN: Could I ask that in -- I</p> <p>25 don't care at all about the alleged stalking of the</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: center;">58</p> <p>1 house. And could I ask that -- that Mr. Wong move on to</p> <p>2 things that are relevant to us.</p> <p>3 MR. WONG: Thank you. I will move on to my</p> <p>4 next point.</p> <p>5 CHAIRPERSON FAIRMAN: That's fine.</p> <p>6 COMMISSIONER HOFFMAN: Thank you.</p> <p>7 MR. WONG: Is that when all -- at the end of</p> <p>8 the campaign -- I'll just get to the point. My campaign</p> <p>9 manager, Sukpon, made contact and met with Mr. Ford,</p> <p>10 whereupon Mr. Ford presented her with the final bill,</p> <p>11 and she looked at it and disputed, as she saw there</p> <p>12 extra services -- charges, goods and services. And</p> <p>13 discussion ensued, and the end result was that -- the</p> <p>14 discussion was that, Mr. Ford said, well -- he said:</p> <p>15 Well, you have to take down your own signs. And so</p> <p>16 that's what -- she brought that back to me and said:</p> <p>17 Mr. Ford said you have to take down your own signs. And</p> <p>18 I thought -- she and I discussed it and said: Well,</p> <p>19 we'd have to use our own labor. Even though we</p> <p>20 disagreed that we -- we ordered those extras, which we</p> <p>21 didn't. We felt that if that's what is the settlement,</p> <p>22 then we'll use our own labor to get our own signs and</p> <p>23 return the -- whatever stakes we recovered, and that's</p> <p>24 what we did.</p> <p>25 CHAIRPERSON FAIRMAN: Are there any questions</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">59</p> <p>1 for Mr. Wong?</p> <p>2 COMMISSIONER HOFFMAN: I have some, Mr. Chair,</p> <p>3 when it's appropriate.</p> <p>4 CHAIRPERSON FAIRMAN: Now's a great time. Go</p> <p>5 ahead, Commissioner.</p> <p>6 COMMISSIONER HOFFMAN: Okay. Mr. Wong, how</p> <p>7 many stakes did you return?</p> <p>8 MR. WONG: The Campaign, in its travels around</p> <p>9 the state, we recovered -- I counted -- personally</p> <p>10 counted 195 stakes. And at this time, we have not</p> <p>11 returned any of them, because we just felt we didn't</p> <p>12 want to establish a confrontation in anticipation of --</p> <p>13 of this -- this forum that will be addressing this. But</p> <p>14 the -- the stakes are stored in my personal home garage.</p> <p>15 Actually, we just removed them, because they're outside</p> <p>16 the garage as of last weekend, because we needed the</p> <p>17 space to store other material.</p> <p>18 COMMISSIONER HOFFMAN: How many is that, 125?</p> <p>19 MR. WONG: One ninety-five.</p> <p>20 COMMISSIONER HOFFMAN: One ninety-five? Do</p> <p>21 those belong to who at this point?</p> <p>22 MR. WONG: Those are kept for Mr. Ford's</p> <p>23 company. I have them -- I don't -- I don't -- is --</p> <p>24 COMMISSIONER HOFFMAN: Do you agree that</p> <p>25 Mr. Ford's company owns those stakes?</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: center;">60</p> <p>1 MR. WONG: I agree.</p> <p>2 COMMISSIONER HOFFMAN: Okay.</p> <p>3 MR. WONG: As part of the settlement.</p> <p>4 COMMISSIONER HOFFMAN: Well, if you're holding</p> <p>5 his property, I think you ought to turn it over to him.</p> <p>6 That's just a personal suggestion to you, not as my role</p> <p>7 as a Commissioner. Just as a human being, you know,</p> <p>8 when you hold somebody's property, you shouldn't be</p> <p>9 holding onto it for, you know, the sake of settling</p> <p>10 other stuff.</p> <p>11 MR. WONG: Yeah.</p> <p>12 COMMISSIONER HOFFMAN: And I'd encourage you on</p> <p>13 a personal level, to turn it back to him since you have</p> <p>14 them.</p> <p>15 MR. WONG: Yes, sir. We will do that</p> <p>16 posthaste, and the intent is not to convert the</p> <p>17 ownership to my property, but it's there for him, to be</p> <p>18 available for disposition to his property at any time.</p> <p>19 CHAIRPERSON FAIRMAN: And Commissioner Hoffman</p> <p>20 and other -- other Commissioners, we've heard from --</p> <p>21 from most of the parties that are involved in this. I</p> <p>22 would really like now to focus on how it relates to the</p> <p>23 Clean Elections Commission and --</p> <p>24 COMMISSIONER HOFFMAN: Yeah. I wanted to --</p> <p>25 some of my other questions are: So what -- were you</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">61</p> <p>1 partic- -- did you participate in the settlement</p> <p>2 agreement on -- or is that just your campaign manager</p> <p>3 who negotiated that settlement?</p> <p>4 MR. WONG: That was the -- my campaign manager</p> <p>5 had all contact with Mr. Ford. She -- she brought the</p> <p>6 information to me after --</p> <p>7 COMMISSIONER HOFFMAN: Was that true -- I</p> <p>8 understand. Was that true, also, with respect to the --</p> <p>9 the campaign manage- -- with respect to the contracting</p> <p>10 originally with Mr. -- well, with Looks Good?</p> <p>11 MR. WONG: Correct. She was responsible for</p> <p>12 ordering the quantities and the goods that we needed.</p> <p>13 However, I did accompany her periodically to the sign</p> <p>14 company, Looks Good, for meeting with the graphic</p> <p>15 designer to -- to get some ideas for how to lay out the</p> <p>16 signs, for example. And I did accompany her, for</p> <p>17 example, to write the check, two checks to -- actually,</p> <p>18 initially, it was to pay Mr. Ford for partial payment</p> <p>19 for sign install, and we had -- I had the checkbook</p> <p>20 ready to write the check to him, when he said --</p> <p>21 directed me to write two checks instead.</p> <p>22 COMMISSIONER HOFFMAN: Okay. So my other</p> <p>23 question is -- is to staff is, did they interview or get</p> <p>24 any sworn statements from Ms. Sukpon in -- about this</p> <p>25 matter?</p> <p style="text-align: center;">Miller Certified Reporting</p>



<p style="text-align: center;">62</p> <p>1 MR. LANG: There are no sworn statements.</p> <p>2 COMMISSIONER HOFFMAN: Was there -- did Daniel</p> <p>3 talk to Ms. -- Ms. Sukpon?</p> <p>4 MR. LANG: Yes. At length.</p> <p>5 COMMISSIONER HOFFMAN: Okay.</p> <p>6 CHAIRPERSON FAIRMAN: Mr. Wong --</p> <p>7 COMMISSIONER HOFFMAN: I think that's all I</p> <p>8 have for Mr. Wong. Thank you, Mr. Wong.</p> <p>9 MR. WONG: Thank you.</p> <p>10 CHAIRPERSON FAIRMAN: Commissioner Reckart.</p> <p>11 COMMISSIONER RECKART: Mr. Wong, so there's no</p> <p>12 dispute here that Ms. Sukpon was an agent of your</p> <p>13 campaign?</p> <p>14 MR. WONG: Ms. Sukpon, as my campaign manager,</p> <p>15 is -- yes, she is an agent of the Campaign.</p> <p>16 CHAIRPERSON FAIRMAN: And so she had authority</p> <p>17 to designate who would get what signs, and what signs</p> <p>18 would be put out, and what sort of contractual</p> <p>19 arrangements, she could bind the Campaign to those kind</p> <p>20 of arrangements?</p> <p>21 MR. WONG: That is correct.</p> <p>22 COMMISSIONER RECKART: Okay. I'm looking at a</p> <p>23 number of -- and it starts here in what I think is</p> <p>24 Exhibit E. There are number of e-mail exchanges, and a</p> <p>25 lot of them involve her to Mr. Bilsten. Exhibit 3 comes</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">63</p> <p>1 to mind here. She's copied on them, she's aware there's</p> <p>2 sign locations, there's sign amounts. There were others</p> <p>3 that I -- I don't have my hands on right now. But</p> <p>4 I'm -- what I'm seeing is a regular exchange of</p> <p>5 communication between her and -- or, at least she's part</p> <p>6 of a regular chain of communication with Mr. Bilsten and</p> <p>7 others, regarding what signs are going where, what's</p> <p>8 happening to them. There are signs here, about what</p> <p>9 needs to be picked up because a sign was blown down.</p> <p>10 There's -- I mean, there are e-mails here to that -- to</p> <p>11 that effect.</p> <p>12 So, I'm -- I'm having a hard time</p> <p>13 understanding, in light of what I've read, what I've</p> <p>14 seen, what I've heard today, that there was not some</p> <p>15 sort of a -- a meeting of the minds between your</p> <p>16 campaign, her as -- she as its agent, and Mr. Bilsten's</p> <p>17 and Mr. Dillon Ford's company.</p> <p>18 So, I'd -- what I'm trying to understand is in</p> <p>19 light of these e-mails, in light of what I've already</p> <p>20 heard to date, how is that you're saying you didn't know</p> <p>21 that these things were occurring? Because to me it's</p> <p>22 very clear, that there's a set of e-mails that are</p> <p>23 laying out what [sic] the signs are going, how many</p> <p>24 signs there are. And I guess what I don't understand,</p> <p>25 is what's the basis, you're saying you don't understand</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: center;">64</p> <p>1 or you didn't have a contract with them to that effect</p> <p>2 with Bilsten.</p> <p>3 MR. WONG: Yes. Let's talk about that, is that</p> <p>4 all the -- the exhibits that you referred to, the</p> <p>5 e-mail, is that the Campaign contracted with Looks Good</p> <p>6 Enterprises to provide manufacture of the signs and</p> <p>7 installation. That was our intent. And as we have in</p> <p>8 the past campaigns, Mr. Ford says: Just work directly</p> <p>9 with Mr. Bilsten. So, as an efficiency -- efficiency,</p> <p>10 instead of going through Mr. Ford, our contractor, he</p> <p>11 said, basically: Just work directly with Mr. Bilsten,</p> <p>12 who is his subcontractor. So that is an efficiency</p> <p>13 point of view. And we said: Okay, we'll do that. And</p> <p>14 so that's why you have this exchange before you.</p> <p>15 Instead of every single sign that's up or down</p> <p>16 or every little detail going through Mr. Ford, our</p> <p>17 contractor, basically, his message was: It's more</p> <p>18 efficient, just work directly with Mr. Bilsten. So</p> <p>19 that's fine, that makes sense, that's logical. Let me</p> <p>20 say this, is that, in fact, Mr. Bilsten acknowledged in</p> <p>21 his complaint to this Commission, referring to Mr. Ford</p> <p>22 as, quote, "my boss," end quote. And communication via</p> <p>23 e-mail, as you have seen in the records, in the</p> <p>24 exhibits, is that when Mr. Ford wanted information about</p> <p>25 signs, he went to his -- his sign guy, Mr. Bilsten:</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">65</p> <p>1 Give me the prices, give me some estimate on how much,</p> <p>2 how many signs that should be going up in -- in</p> <p>3 different locations around the state. Then Mr. Bilsten</p> <p>4 would then provide that information to Mr. Ford, as you</p> <p>5 can see different e-mails, Mr. Ford would forward that</p> <p>6 to us, the contractor with Looks Good Enterprises.</p> <p>7 So, essentially, we're talking about agency. I</p> <p>8 think it's probably fair to say that Mr. Ford was the</p> <p>9 agent for Mr. Bilsten and Mr. Dillon Ford, not the other</p> <p>10 way around.</p> <p>11 CHAIRPERSON FAIRMAN: Are there any questions?</p> <p>12 Any other questions?</p> <p>13 Thank you much.</p> <p>14 MR. WONG: Thank you, sir.</p> <p>15 COMMISSIONER DANIELS: Mr. Chairman, I</p> <p>16 apologize, but I need to make a quick phone call. Is it</p> <p>17 possible for us to take a two-minute recess?</p> <p>18 CHAIRPERSON FAIRMAN: That's fine with me. We</p> <p>19 can do that. Is that the Commissioners' pleasure?</p> <p>20 COMMISSIONER RECKART: That's fine.</p> <p>21 CHAIRPERSON FAIRMAN: We'll recess for two</p> <p>22 minutes and be back at about 10 'til.</p> <p>23 COMMISSIONER DANIELS: Thank you.</p> <p>24 CHAIRPERSON FAIRMAN: Thank you for your</p> <p>25 patience, everyone.</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: center;">66</p> <p>1 (Whereupon a recess is taken from 10:47 a.m.  2 until 10:50 a.m.)  3  4 CHAIRPERSON FAIRMAN: Okay. Let's go ahead and  5 resume our meeting, if that's okay. We've got a couple  6 of more steps in this. One, first, I'd like to see is  7 if there are any additional questions by any of the  8 members of the Commission, of Todd. And if not, I'd  9 like to see if there's anyone in the audience who would  10 like to speak to this issue.  11 Please. Step forward and state your name,  12 please. Oh. Or hobble forward and state your name,  13 please.  14 MS. BILSTEN: Yeah. I just had knee surgery,  15 so I'm breaking every rule.  16 COMMISSIONER DANIELS: Uh-oh.  17 MS. BILSTEN: My name is Peggy Bilsten. We  18 share the same last name, Tom's mom. And I just want to  19 thank you all.  20 First of all, I have served -- I have been  21 blessed to serve the people of the City of Phoenix for  22 14 years in the capacity as Vice Mayor and Council  23 Member. So, I'm very aware of public hearings and how  24 people feel when they're in them. And I just want to  25 thank you for how you've made everybody feel. I feel  Miller Certified Reporting</p>	<p style="text-align: center;">67</p> <p>1 like it was very well done, very professional, and I  2 thank you for that.  3 I'll just be very, very brief. I -- I've known  4 Mr. Wong for a long time, consider him a friend, and I  5 just could not figure out through -- when all this was  6 going on, why -- you know, why this is an integrity  7 issue and -- and why he wouldn't pay what he owed. And  8 I think I fully understand today, because if he would  9 have, he would have been in violation of Clean Elections  10 law. So this is what I'm asking you, just as somebody  11 from the public, I loved your question when you asked my  12 son: Why are you -- why are you coming forward with  13 this? He absolutely has nothing to gain. He --  14 financially, nothing can happen here. It's very  15 intimidating and it's intimidating even filing a  16 complaint with someone of Mr. Wong's stature, very  17 eloquent, a wonderful speaker.  18 I'll tell you why. And I am so proud of him  19 for this, from the time this kid was born, we've always  20 taught our children to fight for what is right. And at  21 the end of the day, what is right is, there has -- I  22 believe there would -- there would have been a violation  23 of Clean Election if he would have paid him. So, he  24 doesn't pay him. Rips off a young, small businessman  25 trying to live the American dream.  Miller Certified Reporting</p>
<p style="text-align: center;">68</p> <p>1 And so what -- what my son is doing is, he's  2 kind of speaking for all those people who would never  3 have the courage to do it because they'd say: What do  4 we have to gain anyway? We're not going to gain  5 anything financially; it's kind of scary; and what if  6 you actually get blackballed because of candidates  7 hearing that you -- that you have the integrity to stand  8 up and say: This is what is right.  9 That's all I have to say. I appreciate your  10 patience. You all have been here so long. And I also  11 appreciate the thoroughness that -- that I have seen  12 that your staff has done on this.  13 CHAIRPERSON FAIRMAN: Thank you very much.  14 MS. BILSTEN: Thank you.  15 CHAIRPERSON FAIRMAN: Are there any questions  16 of Ms. Bilsten before we go on?  17 We'll give her a moment to get back to her  18 seat.  19 MS. BILSTEN: I should have waited for  20 questions. Sorry.  21 CHAIRPERSON FAIRMAN: Any other discussion on  22 this issue?  23 Todd, did you have anything else that you would  24 like to add?  25 MR. LANG: No, Mr. Chair. Thank you.  Miller Certified Reporting</p>	<p style="text-align: center;">69</p> <p>1 CHAIRPERSON FAIRMAN: Any other discussion by  2 members?  3 COMMISSIONER HOFFMAN: Mr. Chair?  4 CHAIRPERSON FAIRMAN: Yes. Please, Louis.  5 Louis, go right ahead.  6 COMMISSIONER HOFFMAN: I'm sorry. Were you  7 talking to me?  8 CHAIRPERSON FAIRMAN: Yes, yes. Commissioner  9 Hoffman, that is.  10 COMMISSIONER HOFFMAN: Thank you. I'm troubled  11 by this and would like to hear what other people are  12 thinking about what to do. On the one hand, we've  13 pretty much done our investigation and, you know, it's  14 -- it's certainly -- the way I analyze -- the way I  15 analyze the situation, it's -- the question is really  16 whether the Wong Campaign has complied with the  17 settlement agreement that had occurred.  18 There was a dispute, there was -- involving  19 certain extra goods that were supposedly charged, that  20 weren't -- that the Campaign didn't believe it had  21 ordered, or says it didn't believe it had ordered, and  22 that dispute was resolved with a settlement agreement  23 having to do with returning -- taking down the set signs  24 and/or returning the -- the stakes, depending on which  25 party you believe. So, the nature of the settlement  Miller Certified Reporting</p>

<p style="text-align: right;">70</p> <p>1 agreement and whether it was complied with, are the --</p> <p>2 is -- is what the issue turns on as to whether there's</p> <p>3 any additional amount due.</p> <p>4 And I don't think, you know, it sounds like</p> <p>5 it -- that Mr. Wong didn't do anything wrong personally</p> <p>6 because he wasn't party to it. It's possible his</p> <p>7 campaign chairman who didn't appear today,</p> <p>8 unfortunately, and who hasn't submitted any sworn</p> <p>9 statements, may have done something wrong. And it</p> <p>10 certainly seems wrong that Mr. Bilsten didn't get paid.</p> <p>11 The Wong Campaign's position is, I guess, that Mr.</p> <p>12 Bilsten should be paid from -- by Looks Good Enterprise.</p> <p>13 And Looks Good position is that he should have been paid</p> <p>14 directly, so there's a further dispute about whether the</p> <p>15 initial agreement was direct or not direct.</p> <p>16 We're not really in a position to resolve any</p> <p>17 of that, but this whole situation really -- really</p> <p>18 smells, because it could well be that as Ms. Bilsten</p> <p>19 said -- or, Councilwoman Bilsten said, that the Campaign</p> <p>20 simply didn't have enough funds to pay it; and,</p> <p>21 therefore, decided to come up with a plot not to pay</p> <p>22 him. And I -- this all is very concerning to me, but</p> <p>23 I'm not sure what, you know, we could do at this time.</p> <p>24 But I do feel that there's a strong possibility</p> <p>25 that if, in fact, there is a claim and there's a</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">71</p> <p>1 judgment that some additional amounts are due, either</p> <p>2 because of the settlement agreement wasn't complied with</p> <p>3 or wasn't, you know, wasn't honored and that there's an</p> <p>4 original claim there that creates a contract claim, then</p> <p>5 at that point, the Campaign has overspent and there</p> <p>6 would be a problem for us to address.</p> <p>7 Anyway, those are just some thoughts. I</p> <p>8 apologize for the scattered nature of them, because it's</p> <p>9 difficult to sort of get out in order. But those are</p> <p>10 some random thoughts, and I would like to hear what some</p> <p>11 others think before -- before making up my mind how to</p> <p>12 vote.</p> <p>13 CHAIRPERSON FAIRMAN: Thank you, Commissioner.</p> <p>14 Commissioner Daniels?</p> <p>15 COMMISSIONER DANIELS: Mr. Chairman and -- and</p> <p>16 Commissioner Hoffman, to me the whole idea of a</p> <p>17 settlement means you owe money and you violated Clean</p> <p>18 Elections. And -- and I would say that because, why</p> <p>19 would you make a settlement if you didn't owe the money?</p> <p>20 If you never authorized that, you would just say: No.</p> <p>21 Go sue me in court; I didn't authorize this; I don't pay</p> <p>22 you. But if you made a settlement to go out and pick up</p> <p>23 those sign -- rhubarb posts and -- and -- rhubarb, how</p> <p>24 about rebar. We'll try that. One is a pie, one is a</p> <p>25 post, okay.</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">72</p> <p>1 But if you -- if you make that offer, to me</p> <p>2 then you are owing them some more money and then a</p> <p>3 violation has occurred because they've overspent. And</p> <p>4 so I -- I know what staff, and staff's done -- maybe</p> <p>5 Daniel can come up with a different reason from where</p> <p>6 I'm coming from, where I see that settlement as actually</p> <p>7 saying: Okay, yeah, I did do something.</p> <p>8 COMMISSIONER HOFFMAN: Mr. Chair.</p> <p>9 COMMISSIONER DANIELS: Did that ever come into</p> <p>10 play?</p> <p>11 COMMISSIONER HOFFMAN: Mr. Chair. When --</p> <p>12 could I respond when...</p> <p>13 COMMISSIONER DANIELS: Yeah.</p> <p>14 CHAIRPERSON FAIRMAN: Very quickly. Then we're</p> <p>15 going to move to Commissioner Reckart.</p> <p>16 COMMISSIONER HOFFMAN: Yeah. My -- my thinking</p> <p>17 on that is that the settlement agreement was, in effect,</p> <p>18 I'm going to get it -- I'm going to change what you</p> <p>19 think is the contract to a smaller number by providing</p> <p>20 my -- my volunteer labor in order to reduce the price</p> <p>21 you need to charge me.</p> <p>22 COMMISSIONER DANIELS: But what was the timing</p> <p>23 on that?</p> <p>24 COMMISSIONER HOFFMAN: Excuse me?</p> <p>25 COMMISSIONER DANIELS: What was the timing on</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">73</p> <p>1 that? I mean, was that in an advanced timing or was</p> <p>2 that after there was already a dispute that they had no</p> <p>3 money?</p> <p>4 COMMISSIONER HOFFMAN: No. After the dispute,</p> <p>5 there's -- it appears there was a dispute over whether</p> <p>6 there was extra services provided beyond what was</p> <p>7 contracted for, and I -- I haven't analyzed it fully to</p> <p>8 understand that that's, you know, if that dispute is</p> <p>9 correct. But it appears there was a dispute. It</p> <p>10 involved the flyers, it involved a hundred extra signs,</p> <p>11 and I haven't done the accounting to figure out who was</p> <p>12 right on that dispute, but it appears there was a</p> <p>13 dispute.</p> <p>14 So, if -- if the -- if the dispute is -- is</p> <p>15 you're going to pay extra money -- if you're going to</p> <p>16 pay the full amount, then -- then, clearly, you are</p> <p>17 overspending. So, instead, okay, let's -- let's figure</p> <p>18 a way where we can, you know, we can resolve your</p> <p>19 dispute and receive, you know, and end up paying you the</p> <p>20 original amount, but you have less to do, meaning, you</p> <p>21 know, we're going to take down the signs and return the</p> <p>22 stakes, rather than you're going to do it. Then I think</p> <p>23 that would be an okay thing, and I don't think that</p> <p>24 would be a violation of Clean Elections to enter into</p> <p>25 that settlement agreement.</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: right;">74</p> <p>1 The question, though, is whether they have</p> <p>2 complied with the settlement agreement. What it was,</p> <p>3 first of all, and then whether they complied with it.</p> <p>4 If they didn't comply with the settlement</p> <p>5 agreement, then, you know, then extra amounts are due</p> <p>6 and now we're back in a situation where there's, you</p> <p>7 know, they're overspent. But I think if -- if they had</p> <p>8 -- if -- if everyone agreed that they had complied with</p> <p>9 the settlement agreement, and it was like a third -- you</p> <p>10 know, the opponent was complaining here about the</p> <p>11 situation, I wouldn't have any sympathy whatsoever. I</p> <p>12 think that it would be okay to say: Okay, we'll --</p> <p>13 we'll release you from the obligation to take down the</p> <p>14 signs in exchange for you reducing your bill, so that</p> <p>15 we're under limit. I think that would be okay. Thank</p> <p>16 you.</p> <p>17 CHAIRPERSON FAIRMAN: Commissioner Reckart, did</p> <p>18 you have a question for Mr. Wong?</p> <p>19 COMMISSIONER RECKART: Actually, I think I --</p> <p>20 I've resolved that, but I have some response, if I may.</p> <p>21 CHAIRPERSON FAIRMAN: Please do.</p> <p>22 COMMISSIONER RECKART: To me, the issue of</p> <p>23 whether or not they entered into a settlement agreement</p> <p>24 is not, I think at the moment, that determine --</p> <p>25 determinative, because people -- I think people have</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">75</p> <p>1 disputes all the time and you want to resolve and you</p> <p>2 want to find a way to resolve them.</p> <p>3 I am not one, just because there's a settlement</p> <p>4 agreement, means that someone thought they contracted</p> <p>5 for something or they didn't. It's not indicative, it's</p> <p>6 just a way of trying to get the matter resolved. What I</p> <p>7 want to -- I think -- so it -- the fact there's a</p> <p>8 settlement agreement, I really don't see it as being, at</p> <p>9 least to me, very persuasive one way or the other, as to</p> <p>10 how -- whether or not there's a violation of Clean</p> <p>11 Elections.</p> <p>12 What I really think to me it comes down to is</p> <p>13 that there was a regular course of -- of business in</p> <p>14 exchange, from what I can tell, with the sign people</p> <p>15 throughout the course of the campaign by someone who was</p> <p>16 authorized within the campaign to do that. And the fact</p> <p>17 that they did not keep track of, I mean, whether or not</p> <p>18 they were acting as an agent or subcontractor or</p> <p>19 whatever, the fact is, is that the Campaign had to know</p> <p>20 that it was asking for services and incurring</p> <p>21 expenditures as a consequence of asking for the</p> <p>22 services. And if they didn't keep track of that and</p> <p>23 they weren't diligent enough to deal with it, then</p> <p>24 there's a violation that's occurred.</p> <p>25 And to me, that's the big thing here is that</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">76</p> <p>1 there has been someone authorized by the Campaign to</p> <p>2 engage people to do things, and they're well aware -- or</p> <p>3 they need to be well aware -- of what the law</p> <p>4 requirements or the restrictions on expenditure are.</p> <p>5 And the fact that they weren't diligent about doing that</p> <p>6 is what's troubling me in this case here.</p> <p>7 And I think, you know, I -- I appreciate the</p> <p>8 settlement thing, but I don't -- I understand people</p> <p>9 entering settlement agreements all the time. I've done</p> <p>10 it a lot in terms of my own practice, but I think what</p> <p>11 it really comes down to is Ms. Suk- -- Sukpon talking</p> <p>12 regularly with the sign people, engaging regularly with</p> <p>13 the sign people to do things, confirming stuff that was</p> <p>14 going on, and then the fact that there was no -- that</p> <p>15 there was, quote, "a surprise at the end," to me doesn't</p> <p>16 exonerate or excuse the, you know, the earlier</p> <p>17 authorization to go put these signs or whatever.</p> <p>18 So I'm -- that's where I'm coming out here, is</p> <p>19 I -- I appreciate the staff's view on it. It's a tough</p> <p>20 call, but the more and more I look at it, and I think</p> <p>21 what I'm convinced about here, is the fact that they</p> <p>22 were on a regular communication basis, she should have</p> <p>23 been keeping track of what she was asking people to do.</p> <p>24 CHAIRPERSON FAIRMAN: Not to cut anything</p> <p>25 short, but we're at a point now where we were really</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">77</p> <p>1 asked to determine whether or not a violation had</p> <p>2 occurred. And so, in that respect -- Mr. Collins?</p> <p>3 MR. COLLINS: Mr. Chairman, you're actually at</p> <p>4 the stage where you're finding whether or not to find</p> <p>5 reason to believe, procedurally speaking.</p> <p>6 CHAIRPERSON FAIRMAN: Thank you. Thank you.</p> <p>7 What he said. That's why you're here. Thank you very</p> <p>8 much.</p> <p>9 MR. LANG: Whether there is reason to believe</p> <p>10 that it may have occurred.</p> <p>11 CHAIRPERSON FAIRMAN: That it may have</p> <p>12 occurred. That's correct.</p> <p>13 MR. LANG: Not a final conclusion.</p> <p>14 MR. COLLINS: That's correct.</p> <p>15 CHAIRPERSON FAIRMAN: And in that -- yes,</p> <p>16 Commissioner Hoffman.</p> <p>17 COMMISSIONER HOFFMAN: Yes. I mean, I believe</p> <p>18 that there's reason to believe that a violation might</p> <p>19 have occurred, but I don't know that any further staff</p> <p>20 investigation is going to allow us to determine more</p> <p>21 clearly whether a violation occurred, and I feel like --</p> <p>22 you know, with any reasonable amount of effort. If</p> <p>23 there is to be a court case, I would like to defer to</p> <p>24 the -- to the -- to the Court's decision as to whether</p> <p>25 as to, you know, what the -- the contractual situation</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: center;">78</p> <p>1 is, and then, you know, make a decision, you know, on  2 our final stage. But we are at the -- we are only at  3 the initial stage of whether a reason to believe is, and  4 I'm not sure what -- what procedurally we do about that.  5 CHAIRPERSON FAIRMAN: I -- I was wondering if  6 you would like to put any of that in the form of a  7 motion. I think all you make very good points.  8 COMMISSIONER HOFFMAN: Well, I'm not sure what  9 the motion should be, is my problem. That's -- I'm  10 procedurally -- I find it procedurally difficult to  11 figure out.  12 If we decide that -- that there's reason to  13 believe, the normal procedure is staff goes and  14 investigates that, and tries to figure out the solution.  15 CHAIRPERSON FAIRMAN: Mr. Lang, would you like  16 to address that?  17 MR. LANG: Yeah, if I may. Thank you,  18 Mr. Chair. If you find no reason to believe, then this  19 matter is at an end and the case is closed, and then if  20 there's more litigation or if there's further  21 information or if there's a reconsideration, you can  22 bring it back for further -- for further matters.  23 But -- but, generally speaking, it would end this  24 enforcement matter.  25 If you find reason to believe, it's just the  Miller Certified Reporting</p>	<p style="text-align: center;">79</p> <p>1 first step of two steps. And, generally, as -- as  2 Commissioner Hoffman alluded to, we would then do  3 further investigation. In this case, we've done a lot  4 of that further investigation already. And, again,  5 thank you to the folks for -- for helping us do that on  6 this short notice. And then if you found that reason to  7 believe, you could then hold the -- hold it, just stop  8 there, and not do the further hearing until you have  9 further litigation and some ruling by the -- by the  10 Courts on the contract matter, or you could move forward  11 with enforcement and -- and -- and we could make a  12 recommendation, write our brief, give Mr. Wong a chance  13 to respond, give the Complainants a chance to give  14 input, and then at a future -- at the next Commission  15 meeting or the one after that, have that fine -- final  16 finding of a violation. Or, of course, any time you  17 have a reason to believe, we often settle after that  18 point. We get, you know, some sort of agreement that  19 there -- there was a violation, and we can -- and reach  20 a settlement at that point.  21 So, there are a number of options you can do  22 with either -- with either finding.  23 CHAIRPERSON FAIRMAN: Commissioner Daniels?  24 COMMISSIONER DANIELS: And this is a -- a moot  25 point, because to me, I think it probably should be in a  Miller Certified Reporting</p>
<p style="text-align: center;">80</p> <p>1 court of law, but I don't know that they're going  2 forward. Because you mentioned small claims court, but  3 I thought small claims court was \$5,000 or less, and  4 this is too much.  5 MR. LANG: It's \$10,000.  6 COMMISSIONER DANIELS: It's 10 now? Okay.  7 Otherwise, if you're owed an amount of \$7,000, it's not  8 worth getting an attorney and going through the court  9 process, it's too expensive. If you can do small claims  10 court, that's -- that does make a lot of difference.  11 CHAIRPERSON FAIRMAN: Mr. Reckart?  12 COMMISSIONER RECKART: Yeah. And I guess  13 that's part of the difficulty here is we're being asked  14 to be fact-finder, jury, and judge on, you know, matters  15 of law and fact, that -- in order to apply in this  16 particular instance. Be that as it may, it's still been  17 put before us, the Complaint is made, and we've got to  18 do that.  19 But I -- I -- I would, if I may, I would go  20 ahead and propose a motion. That the Commission has a  21 reason to believe that Respondent has violated the  22 stat- -- the Clean Elections Commission's law in  23 connection with the excessive expenditure incurred in  24 the manner we discussed here.  25 COMMISSIONER DANIELS: Second.  Miller Certified Reporting</p>	<p style="text-align: center;">81</p> <p>1 CHAIRPERSON FAIRMAN: We have a motion and  2 second to find reason to believe that an -- a -- what's  3 the word?  4 COMMISSIONER HOFFMAN: Violation may.  5 CHAIRPERSON FAIRMAN: Violation may have  6 occurred. We have a motion and a second.  7 Is there any other discussion on this matter  8 before we go further?  9 COMMISSIONER DANIELS: Well, Mr. Chairman --  10 CHAIRPERSON FAIRMAN: Commissioner Daniels?  11 COMMISSIONER DANIELS: -- I know we're just  12 going to vote on this, but just to the motion itself,  13 too, I'm not sure that I expect staff to go any further  14 unless, you know, a court of law does this and brings  15 this back. I don't know that at this point --  16 COMMISSIONER RECKART: They can do any more.  17 COMMISSIONER DANIELS: Right. I think you --  18 that's -- that's where I think we're all struggling with  19 this, is we all feel staff has done all that staff could  20 do, but that there's still this issue before us, so.  21 COMMISSIONER HOFFMAN: May I ask --  22 CHAIRPERSON FAIRMAN: Commissioner Hoffman, if  23 I might -- if I might add one thing. The one thing that  24 has been missing that we've heard several times, are  25 statements from Ms. Sukpon. That would be the other  Miller Certified Reporting</p>

<p style="text-align: right;">82</p> <p>1 piece of this that we've not had an opportunity to hear.</p> <p>2 So, Commissioner -- Commissioner Hoffman?</p> <p>3 COMMISSIONER HOFFMAN: That -- that was what I</p> <p>4 was going to ask is, could Mr. Ruiz comment on -- on,</p> <p>5 you know, what he -- he heard from and learned from</p> <p>6 Ms. Sukpon?</p> <p>7 CHAIRPERSON FAIRMAN: He's coming forward.</p> <p>8 COMMISSIONER HOFFMAN: Thank you.</p> <p>9 MR. RUIZ: Commissioner Hoffman, I met with</p> <p>10 both Mr. Wong and Ms. Chantri Sukpon, I believe it was</p> <p>11 on March 9th. And, essentially, what she told me was</p> <p>12 what has been written in Mr. Wong's responses, in that</p> <p>13 she did not contract for those overages signs. She</p> <p>14 contracted Mr. Bilsten, basically, to upkeep the signs;</p> <p>15 they were not orders to print more, they were to replace</p> <p>16 the ones that were -- were already down. And there was</p> <p>17 supposedly a supply for that very reason.</p> <p>18 So, there isn't anything, as far as anything</p> <p>19 that might be helpful to you that's different from</p> <p>20 Mr. -- what Mr. Wong has written in his response.</p> <p>21 COMMISSIONER HOFFMAN: Did -- did you --</p> <p>22 Mr. Ruiz, did -- what is your view of the -- the claim</p> <p>23 of the Wong Campaign is that there was a hundred extra</p> <p>24 signs beyond what was ordered. Did you do the, like,</p> <p>25 the auditing to try to figure out if -- if that, you</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">83</p> <p>1 know, the basis for that contention and whether it was</p> <p>2 true?</p> <p>3 MR. RUIZ: The Campaign agrees that there were</p> <p>4 signs and they agreed to pay for those extra signs, as</p> <p>5 far as I know. And that was part of the settlement;</p> <p>6 they agreed that when they received the invoice, there</p> <p>7 may have been extra signs produced and posted. And</p> <p>8 that's I think why they came to that settlement</p> <p>9 agreement. They didn't agree that they had contracted</p> <p>10 for them, but they agreed that there may have been a</p> <p>11 benefit of them. And that was their intent was to</p> <p>12 settle it out, I think, by taking down the signs and</p> <p>13 doing some of that manual labor on their own.</p> <p>14 COMMISSIONER HOFFMAN: Well, the thing that --</p> <p>15 you know, I understand that and that, of course, made</p> <p>16 sense to me. But is -- was there notifications? You</p> <p>17 know, I mean, there was all that stuff about how many</p> <p>18 signs would get put up and, you know, Ms. Sukpon agreed</p> <p>19 on how many signs would actually get put up, and -- and</p> <p>20 so forth. I mean, did she agree to the extent of the</p> <p>21 extra hundred or not agree to the extra hundred?</p> <p>22 MR. RUIZ: You know, specifically, I would have</p> <p>23 to -- I would like to speak to her about that again to</p> <p>24 get some further clarification. I don't know that I --</p> <p>25 COMMISSIONER HOFFMAN: Okay.</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">84</p> <p>1 MR. RUIZ: Asked that question exactly.</p> <p>2 COMMISSIONER HOFFMAN: Also, the amount of</p> <p>3 dispute is apparently \$7,500; is that correct?</p> <p>4 MR. RUIZ: Correct.</p> <p>5 COMMISSIONER DANIELS: Approximately.</p> <p>6 COMMISSIONER HOFFMAN: And -- but there's only</p> <p>7 like a hundred extra signs, which doesn't seem to be</p> <p>8 that much, right?</p> <p>9 MR. RUIZ: Right.</p> <p>10 COMMISSIONER HOFFMAN: So, the difference is</p> <p>11 the -- you know, aside from the signs and the stakes and</p> <p>12 the, you know, installing of same, the other major</p> <p>13 difference is the -- is the 5,000 flyers, right?</p> <p>14 MR. RUIZ: Correct. Which they both argue on</p> <p>15 how those were disposed of and whether or not they</p> <p>16 received the benefit of those 5,000 signs -- or flyers.</p> <p>17 COMMISSIONER HOFFMAN: So, and -- and the 60</p> <p>18 shirts is a trivial amount. So, the -- the main chunk</p> <p>19 of the \$7,500 difference, has to do with the flyers, not</p> <p>20 the signs?</p> <p>21 MR. RUIZ: No. It's -- it's regarding the</p> <p>22 signs.</p> <p>23 COMMISSIONER HOFFMAN: How much is the hundred</p> <p>24 signs, you know, how much is the value of that?</p> <p>25 MR. LANG: Mr. Bilsten didn't do the flyers.</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">85</p> <p>1 He just did the signs.</p> <p>2 MR. RUIZ: Mr. Bilsten just did the signs,</p> <p>3 correct.</p> <p>4 CHAIRPERSON FAIRMAN: Mr. Ford, do you have a</p> <p>5 quick answer to that?</p> <p>6 MR. FORD: If -- if the Commissioner is</p> <p>7 requesting what the value of the alleged hundred over</p> <p>8 is, would be 50 at \$10, and 50 at \$15. That would be</p> <p>9 the value of 100 signs.</p> <p>10 MR. RUIZ: And I'm looking at Exhibit E --</p> <p>11 CHAIRPERSON FAIRMAN: Thank you.</p> <p>12 MR. RUIZ: -- which is response from Mr. Wong,</p> <p>13 and that goes into some of the overages, his position on</p> <p>14 some of the overages. There were a hundred extra signs,</p> <p>15 200 extra stakes, sign services --</p> <p>16 COMMISSIONER HOFFMAN: Right. That's the same</p> <p>17 one I'm looking at.</p> <p>18 MR. RUIZ: -- flyers and T-shirts.</p> <p>19 COMMISSIONER HOFFMAN: Right. So, but what --</p> <p>20 what really seems to me to be odd here -- I'm sorry I'm</p> <p>21 drifting a little from our -- the motion on the floor, I</p> <p>22 apologize for that.</p> <p>23 But what really seems to be odd is that the</p> <p>24 signs -- so, if I heard correctly, that was like \$1,200</p> <p>25 is the ex- -- the hundred extra signs is something like</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: right;">86</p> <p>1 \$1,200, right?</p> <p>2 CHAIRPERSON FAIRMAN: At those rates, that's</p> <p>3 approximately right.</p> <p>4 COMMISSIONER HOFFMAN: If so, there's a \$7,500</p> <p>5 dispute, \$1,250 of it is, or something, is signs, and</p> <p>6 \$60 is T-shirts, and -- and the bulk of it is 5,000</p> <p>7 flyers. And it's pretty ironic, isn't it, that</p> <p>8 Mr. Bilsten doesn't get paid, when the amount of</p> <p>9 dispute -- you know, he's the one left holding the bag</p> <p>10 for \$7,500.</p> <p>11 CHAIRPERSON FAIRMAN: With all due respect,</p> <p>12 Commissioner Hoffman, these are things that I think</p> <p>13 would be investigated if we were to choose to go forward</p> <p>14 with a reason to believe a violation has occurred.</p> <p>15 COMMISSIONER HOFFMAN: Yeah. Well, thank you</p> <p>16 for clarifying and providing the additional information,</p> <p>17 Mr. Ruiz. And I take your point, Commissioner Reckart</p> <p>18 [sic].</p> <p>19 MR. RUIZ: Thank you.</p> <p>20 COMMISSIONER HOFFMAN: Thank you.</p> <p>21 CHAIRPERSON FAIRMAN: We have a motion on the</p> <p>22 floor and a second. We'd like to -- and that is to find</p> <p>23 reason to believe a violation may have occurred in this</p> <p>24 case. All in favor of the motion, signify by saying</p> <p>25 "aye."</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">87</p> <p>1 (Chorus of ayes.)</p> <p>2</p> <p>3 CHAIRPERSON FAIRMAN: All opposed? It's passed</p> <p>4 unanimously. Todd, you have your work cut out for you.</p> <p>5 MR. LANG: Thank you.</p> <p>6 CHAIRPERSON FAIRMAN: Thank you. And thank you</p> <p>7 all for being here and participating.</p> <p>8 Next on our agenda, we're going to move on to</p> <p>9 Item V, which is discussion and possible action. And I</p> <p>10 believe we would be able to take all of these as a -- as</p> <p>11 a lot, if that were the case, if that were the</p> <p>12 Commission's pleasure.</p> <p>13 Todd, would you introduce this to us, please.</p> <p>14 MR. LANG: Yes. These are the audits by the</p> <p>15 independent auditing company done pursuant to -- to law</p> <p>16 and done in order. I would mention that Secretary of</p> <p>17 State Ken Bennett is here today and would like to offer</p> <p>18 his -- offer the Commission information regarding a</p> <p>19 slight -- a small discrepancy that was found in his</p> <p>20 audit.</p> <p>21 Before -- before that, though, I'd point out</p> <p>22 that all of the audits were essentially clean. There</p> <p>23 were no real violations found. There were some</p> <p>24 discrepancies, like in Mr. Bennett's case and another</p> <p>25 couple of cases, that I think can be -- all of them</p> <p style="text-align: center;">Miller Certified Reporting</p>
<p style="text-align: right;">88</p> <p>1 staff believes and I believe, can be resolved with phone</p> <p>2 calls and do not constitute violations of law.</p> <p>3 And so, I would ask that you approve all of the</p> <p>4 audits. But, again, Mr. Bennett is here today.</p> <p>5 CHAIRPERSON FAIRMAN: Would anyone like to hear</p> <p>6 from Mr. Bennett?</p> <p>7 COMMISSIONER DANIELS: If he wants to talk.</p> <p>8 CHAIRPERSON FAIRMAN: Come right ahead. You've</p> <p>9 sat through all of this, I'm very proud of you.</p> <p>10 COMMISSIONER DANIELS: Yeah. At least let him</p> <p>11 talk.</p> <p>12 MR. BENNETT: Mr. Chairman, members, there were</p> <p>13 a couple of items mentioned -- or findings mentioned in</p> <p>14 our audit, and I just wanted to provide personal</p> <p>15 clarification.</p> <p>16 One finding was that the addresses for a vendor</p> <p>17 did not match. And we checked with the vendor, and he</p> <p>18 relocated from the early part of the campaign to -- and</p> <p>19 lived at a different place by the time we got to the end</p> <p>20 of the campaign. So, when we submitted invoices that</p> <p>21 had the second address on, they didn't match the address</p> <p>22 that we had put into the campaign finance system at the</p> <p>23 early part when he lived somewhere else.</p> <p>24 I think the one question -- the real question,</p> <p>25 though, is -- is a few checks. This was Finding</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: right;">89</p> <p>1 2.3.2.1, as to whether there were, I believe, it's four</p> <p>2 people, but two of them were couples, so I think it's</p> <p>3 two checks -- or, two additional checks for a total of</p> <p>4 six. And it's found that the amount of those checks,</p> <p>5 which was \$5 each, was in a couple of deposits made, but</p> <p>6 they weren't listed on the campaign finance report for</p> <p>7 that group of checks. And what happened there is, these</p> <p>8 were duplicate checks given to us by people who</p> <p>9 inadvertently forgot or didn't realize that they had</p> <p>10 given to us earlier in the campaign.</p> <p>11 So, we had received checks from these folks --</p> <p>12 it happens to be back in March on a couple and April for</p> <p>13 another one -- and we deposited and reported them in the</p> <p>14 campaign finance system. Then when they gave again in</p> <p>15 June, we deposited the money and then put them into the</p> <p>16 system a second time, but the system doesn't prevent you</p> <p>17 from putting them in a second time. But when we went</p> <p>18 through and culled duplicates before we actually turned</p> <p>19 in all of the \$5s, which was about 3,400 \$5 checks and</p> <p>20 forms and things like that.</p> <p>21 When we realized that there were some</p> <p>22 duplicates, we called Clean Elections, they said -- I</p> <p>23 think there were three options. One was to send \$5 back</p> <p>24 to each of the people, which would have been a</p> <p>25 bookkeeping and whatever nightmare. I can't remember</p> <p style="text-align: center;">Miller Certified Reporting</p>

<p style="text-align: center;">90</p> <p>1 what the second option was. But I think the -- I know  2 the third option was you can write a lump-sum check back  3 to the Commission, and just not report those duplicates,  4 which is what we did.  5 So, when we deleted them from the campaign  6 finance list for their duplicate contributions and wrote  7 a check for the lump-sum amount, the \$5 from these  8 individuals were in the deposits that were made, we  9 returned the money to Clean Elections, and then we  10 deleted their names from the second report. And so it  11 looks like money went into the bank and there's not a  12 named thing to match with, which is because we had  13 culled the duplicates and wrote the check back to Clean  14 Elections, which is what I think we were supposed to do.  15 So --  16 CHAIRPERSON FAIRMAN: Thank you very much. Any  17 questions for Mr. Bennett?  18 COMMISSIONER DANIELS: I was just going to say,  19 Mr. Chairman and Mr. Bennett, I understand why you are  20 doing this. As Secretary of State, you're very  21 detail-oriented and very election-oriented. We are  22 happy when we see these audits and everything for the  23 most part is just great and there's no issues. And so,  24 while I appreciate you being here and understand why you  25 were, I guess, we'd all say: Don't worry about it; it's  Miller Certified Reporting</p>	<p style="text-align: center;">91</p> <p>1 not an issue.  2 MR. BENNETT: Okay. Well, Mr. Chairman,  3 Commissioner, given the nature of my position, it  4 attracts the highest level of scrutiny as to whether  5 anything was done inappropriately and we didn't want to  6 not to be here --  7 COMMISSIONER DANIELS: I understand.  8 MR. BENNETT: -- and at least be able to  9 provide an explanation that these were just checks that  10 we had culled out as duplicates, and took their names  11 off the list because they'd already been on the list a  12 first time, earlier time, so. Any other questions, I'd  13 be happy...  14 CHAIRPERSON FAIRMAN: Any other questions for  15 Mr. Bennett?  16 Thank you very much, and thank you for  17 staying through this.  18 MR. BENNETT: Thank you. You bet.  19 CHAIRPERSON FAIRMAN: Is there any more  20 discussion on this issue? Todd?  21 MR. LANG: Michelle Ugenti is also on the  22 agenda for this -- for this audit. She had a clean  23 audit. Her husband is here today.  24 CHAIRPERSON FAIRMAN: Okay.  25 MR. LANG: I don't think he needs to speak, but  Miller Certified Reporting</p>
<p style="text-align: center;">92</p> <p>1 if he'd like to speak, he's certainly --  2 MR. UGENTI: Other than it was our first  3 election, and if there was minor discrepancies that  4 could be clarified with a phone call, maybe that's a  5 more appropriate venue. Being that it was our first  6 adventure in this wonderful industry, we just wanted --  7 for my own knowledge what was maybe done that could have  8 been done better. But that could be handled with a  9 phone call, if more appropriate.  10 CHAIRPERSON FAIRMAN: Staff will be able to  11 handle that with you. Thank you very much for your  12 interest.  13 MR. UGENTI: Thank you. And I will echo many  14 other people's statements that Mr. Ruiz was unbelievably  15 professional and fantastic to work with.  16 CHAIRPERSON FAIRMAN: Great. Thank you for  17 coming by today.  18 COURT REPORTER: Sir, can I get your name,  19 please.  20 MR. UGENTI: Frank Ugenti. Thank you.  21 MR. LANG: Commissioner, since we're on this  22 topic, I'd point out that the Ugenti Campaign worked  23 with us closely throughout the campaign cycle and was  24 particularly cooperative and -- and eager to work and --  25 and make sure they complied with the legal requirements,  Miller Certified Reporting</p>	<p style="text-align: center;">93</p> <p>1 and so I know staff appreciated that very much.  2 CHAIRPERSON FAIRMAN: And we do as well. Thank  3 you very much.  4 Any further discussion or would someone like to  5 make a motion on the audits?  6 COMMISSIONER DANIELS: Just a motion to approve  7 them?  8 Mr. Chairman, I would move that we approve the  9 audits of the primary and general election candidates:  10 Ken Bennett, Rae Waters, Michelle Ugenti, Peter Royers,  11 Robert Donahue, John Krickard, and John Kavanagh.  12 CHAIRPERSON FAIRMAN: Do we have a second?  13 COMMISSIONER RECKART: Second.  14 CHAIRPERSON FAIRMAN: We have a motion and a  15 second on adopting -- or, accepting the -- the candidate  16 audits as described by Commissioner Daniels.  17 Yes, sir -- okay. Having a motion and a  18 second, I'll call for a vote. All those in favor  19 signify by saying "aye."  20 (Chorus of ayes.)  21  22 CHAIRPERSON FAIRMAN: Any opposed? No, okay.  23 Passed unanimously. Thank you all very much.  24 Let's move on. Next is our legislative update.  25 MR. LANG: Mr. Chair, I'll be very brief.  Miller Certified Reporting</p>



<p style="text-align: center;">94</p> <p>1 There is a repeal, SCR1025, which was passed out of the</p> <p>2 Senate a couple weeks ago and is now being heard right</p> <p>3 now in judiciary. And as soon as this Commission</p> <p>4 meeting ends, I will head over there to testify against</p> <p>5 it.</p> <p>6 CHAIRPERSON FAIRMAN: Which with -- with all</p> <p>7 the power I have, which will be very soon.</p> <p>8 Next is Item VII, litigation update.</p> <p>9 MR. COLLINS: Mr. Chairman, Commissioners, just</p> <p>10 the oral argument in the McComish case is on the 28th.</p> <p>11 We did receive, in the last 48 hours, the replies from</p> <p>12 the Goldwater Institute and the Institute for Justice.</p> <p>13 If you're interested in -- in -- in those, we -- we have</p> <p>14 them.</p> <p>15 CHAIRPERSON FAIRMAN: Would it be possible</p> <p>16 to -- to send those out electronically?</p> <p>17 MR. COLLINS: Yes.</p> <p>18 CHAIRPERSON FAIRMAN: I'd love to take a look</p> <p>19 since I'm going back there.</p> <p>20 COMMISSIONER DANIELS: I would like to see it</p> <p>21 too.</p> <p>22 CHAIRPERSON FAIRMAN: Okay. Great. Thank you.</p> <p>23 COMMISSIONER HOFFMAN: I believe I received one</p> <p>24 but not the other, Tom, if you could check on that.</p> <p>25 MR. COLLINS: That's correct. That's correct,</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">95</p> <p>1 Commissioner, the -- the IJ one came in -- I just</p> <p>2 received it this morning, so.</p> <p>3 COMMISSIONER HOFFMAN: Okay. Thank you.</p> <p>4 CHAIRPERSON FAIRMAN: Anything else on</p> <p>5 litigation?</p> <p>6 Next is call to public. Is there anyone left</p> <p>7 who would like to speak to the public -- speak to us,</p> <p>8 rather, from the public?</p> <p>9 COMMISSIONER DANIELS: Hasn't everybody already</p> <p>10 done that?</p> <p>11 CHAIRPERSON FAIRMAN: I think they have.</p> <p>12 Having none, I would entertain a motion to adjourn.</p> <p>13 COMMISSIONER DANIELS: So moved.</p> <p>14 COMMISSIONER RECKART: Second.</p> <p>15 CHAIRPERSON FAIRMAN: We have a motion and a</p> <p>16 second. All those in favor of adjourning say "aye."</p> <p>17 (Chorus of ayes.)</p> <p>18</p> <p>19 CHAIRPERSON FAIRMAN: Any opposed? Thank you</p> <p>20 very much. See you next month. Thank you all very</p> <p>21 much.</p> <p>22 (Whereupon the proceeding concludes at 11:23</p> <p>23 a.m.)</p> <p>24</p> <p>25</p> <p style="text-align: center;">Miller Certified Reporting</p>
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<p style="text-align: center;">96</p> <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p style="text-align: center;">Miller Certified Reporting</p>	<p style="text-align: center;">C E R T I F I C A T E</p> <p>I, Angela Furniss Miller, Certified Reporter,</p> <p>do hereby certify that the foregoing pages numbered 1</p> <p>through 95, inclusive, constitute a full and accurate</p> <p>printed record of my stenographic notes taken at said</p> <p>time and place, all done to the best of my skill and</p> <p>ability.</p> <p>DATED, at Phoenix, this 22nd day of March,</p> <p>2011.</p> <p style="text-align: center;">_____ Angela Furniss Miller, RPR Certified Reporter (AZ50127)</p>
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